ComputerCORP

30 September 2009

Company Announcements Officer
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

Dear Sir/Madam

2009 Full Year Accounts

Please find attached the Company's annual financial report for the year ended 30 June 2009.

Yours faithfully,

Jackob Tsaban
Company Secretary

ANNUAL FINANCIAL REPORT
YEAR ENDED 30 JUNE 2009

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Corporate Directory

Directors
DV Martino
KA Dundo
V Votsaris

Company Secretary
J Tsaban

Registered and Principal Office
1 Puccini Court,
Stirling, Western Australia, 6021
Telephone +61 (0) 8 9424 4444
Facsimile +61 (0) 8 9424 4526

Share Registry
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia, 6153
Telephone: +61 (0) 8 9315 2333
Facsimile: +61 (0) 8 9315 2233

Stock Exchange
Australian Securities Exchange
20 Bridge Street
Sydney, New South Wales, 2000

ASX Code
CZP (Fully Paid Ordinary Shares)

Website
www.computercorp.com.au

Solicitors
Q Legal
Level 4, 105 St Georges Terrace
Perth, Western Australia, 6000
Phone: +61 (0) 8 9486 8111
Facsimile: +61 (0) 8 9226 1696

Bankers
ANZ Banking Group Limited
1275 Hay Street
West Perth, Western Australia, 6005

Auditor
RSM Bird Cameron Partners
8 St Georges Terrace
Perth, Western Australia, 6000

ACN Numbers
ComputerCORP Limited
ACN 091 126 082

Synergy Plus Operations Pty Ltd
ACN 009 261 116

Rodport Pty Ltd
ACN 052 082 541

CCP (Equity) Pty Ltd
ACN 118 718 077

ComputerCORP Wholesale Pty Ltd
ACN 009 423 974

ComputerCORP Finance Pty Ltd
ACN 108 267 312

Letter to Shareholders

Fellow Shareholders,

ComputerCORP Limited ("ComputerCORP" or the "Company") presents its Annual Report for the 2009 financial year.

Notwithstanding the difficulties being experienced by the capital markets, your Company is at an important stage in its development. During the year the Company concluded a further two acquisitions in Paragon Systems and Synergy Plus. These acquisitions have continued the transformation of our Company towards greater services and solutions revenue.

Alongside these acquisitions the Company has continued to streamline its business operationally and structure a more efficient balance sheet. Our success in this is reflected in reduced stock holdings and lower finance costs.

The Company is now appropriately structured to pursue growth and profitability targets. The task for your Board now is to complete the renewal of the senior management team and the Board with new industry focussed appointments. As the current Chairman, I have instigated the executive search for, amongst others, a new chief executive officer, a national sales director, an independent non-executive chairman with strong industry and public company experience and at least one new non-executive independent director with relevant industry experience.

We look to build additional expertise to take our Company to the next level and it is hoped that we can make substantial inroads into this by the time the 2009 Annual General Meeting is held. With strong backing from our shareholders your Board is confident that we will achieve our goal of being one of Australia's top tier IT service providers.

Finally, the Board would like to express its thanks to our dedicated team who have worked tirelessly though these difficult times.

On behalf of the Board of Directors of ComputerCORP, I would also like to thank you for your support as a shareholder of the Company, and we look forward to a successful future for the Company.

Domenic Martino
Chairman

Directors' Report

Your Directors present their report on ComputerCORP and its subsidiaries ("the Group") for the financial year ended 30 June 2009 ("FY09").

Directors
Unless otherwise indicated, the following persons were Directors of the Company during the financial year and until the date of this report:

Name	Date of Appointment
D V Martino	Appointed 7 July 2006
K A Dundo	Appointed 7 July 2006
R S Rindel	Appointed 28 August 2006; resigned 30 June 2009
B R Harvey	Appointed 24 January 2007; resigned 30 June 2009
V Votsaris	Appointed 22 December 2008

At the date of this report, the Board of Directors ("the Board") comprises three Non-Executive Directors.

Meetings of Directors
During FY09, the number of meetings of the Board and the number of meetings attended by each of the Directors were as follows.

Name	Full Meeting of Directors		Audit & Risk Committee		Remuneration and Nomination Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
D V Martino	5	5	*2	*2	1	1
K A Dundo	5	5	2	2	1	1
R S Rindel	5	5	*2	*2	*1	*1
B R Harvey	5	5	2	2	1	1
V Votsaris	4	4	1	1	0	0

** Attended the meeting as an invitee.*

Information on Directors

Details of those Directors' qualifications and experience who are Directors of the Company at the date of this report are set out below:

Mr. Domenic V Martino FCA (age - 53) Non-Executive Chairman
Chairman of Remuneration and Nomination Committee
Domenic Martino was the Chief Executive Officer of Deloitte Touche Tohmatsu in Australia from 2001 to 2003. During that time, he was also a member of the Global Executive Committee of Deloitte Touche Tohmatsu International. Prior to taking on the position as Chief Executive Officer, he was the Managing Partner of Deloitte Touche Tohmatsu's New South Wales operations from 1998 to 2001. He was a partner of Deloitte Touche Tohmatsu and its predecessor firms from 1981 to 2003. During this time, in addition to a number of management operational roles, he specialised in the corporate finance area including mergers and acquisitions, initial public offerings and strategic opportunities. Mr Martino is a Director and Chairman of Australasian Resources Ltd, an ASX listed emerging iron ore producer in the Pilbara. He was a founding Director and former Chairman of coal bed methane companies, Sydney Gas Ltd and Blue Energy Ltd (formerly Energy Investments Limited). Mr Martino has acted as the Non-Executive Chairman of the Board of ComputerCORP Limited since 7 July 2006.

Mr Kevin A Dundo LLB, B Com, FCPA (age - 58) Non-Executive Director
Chairman of Audit and Risk Management Committee and member of Remuneration and Nomination Committee
Kevin Dundo practices as a lawyer in Perth. He specialises in the commercial and corporate areas (in particular mergers and acquisitions) with experience in the mining sector, the service industry and the financial services industry. Mr Dundo gained a Bachelor of Commerce from the University of Western Australia and a Bachelor of Laws from the Australian National University. He is a member of the Law Society of Western Australia, a member of the Law Council of Western Australia, a fellow of the Australian Society of Certified Practising Accountants and a member of the Australian Institute of Company Directors. Mr Dundo is a Non-Executive Director of Imdex Limited (ASX: IMD) and has acted as a Non-Executive Director of ComputerCORP Limited since 7 July 2006.

Directors' Report (continued)

Mr Vasilios Votsaris (age - 50) Non-Executive Director
Bill (Vasilios) Votsaris has a professional history of more than 25 years in technology and services related businesses, both as a successful technologist in major international corporations and as an entrepreneur and commercial manager. Mr. Votsaris started his professional career as a qualified electronics engineer, first working with Alcatel. He was identified as a candidate for accelerated development and was relocated to Silicon Valley. After 7 years with the company, he accepted a position with Hewlett Packard in Australia. In 1988, Mr. Votsaris established Paragon, a specialist SME technology company with 50 employees and clients throughout Victoria. During 2003 he acquired an equity interest in Synergy Plus which grew in three years to a profitable $40m per annum business. In May 2007, Synergy was acquired by Hyro Limited. Mr. Votsaris joined the company in the role of Chief Operating Officer with a specific focus on the ongoing management of the Synergy business and the management of integration of the business and systems of the merged group. He was appointed the Chief Executive Officer and an Executive Director of Hyro in February 2008.

Directors' Equity Holdings

As at the date of this report, the interests of the Directors in the equity of the Company are as follows:

	Opening Balance 1 July 2008	Acquired during the period	Disposed of during the period	Closing Balance 30 June 2009
DV Martino [1]				
Ordinary Shares	18,889,750	1,495,570	-	20,385,320
Performance Shares	3,450,000	-	-	3,450,000
Options	-	-	-	-
Convertible Notes	5,325,000	-	-	5,325,000
KA Dundo [2]				
Ordinary Shares	156,923	-	-	156,923
Performance Shares	-	-	-	-
Options	-	-	-	-
Convertible Notes	-	-	-	-
V Votsaris [3]				
Ordinary Shares	-	11,821,000	-	11,821,000
Performance Shares	-	-	-	-
Options	-	-	-	-
Convertible Notes	-	-	-	-
Total :				
Ordinary Shares	19,046,673	13,316,570	-	21,731,704
Performance Shares	3,450,000	-	-	3,450,000
Options	-	-	-	-
Convertible Notes	5,325,000	-	-	5,325,000

1. Mr Domenic Martino is a Director of:
   (a) TCB Investment Holdings Pty Ltd ("TCB") which holds a total of 17,307,308 ordinary shares and 3,450,000 performance shares;
   (b) Impact Nominees Pty Ltd ("Impact") which holds a total of 32,442 ordinary shares in the Company as trustee for the Sydney Investment Trust; and
   (c) Domenal Enterprises Pty Ltd ("Domenal") which holds a total of 3,045,570 ordinary shares in the Company as trustee for the DVM Superannuation Fund.

   Mr Martino's indirect interest held via TCB, Impact and Domenal are set out in the table above.

2. Mr Kevin Dundo is a trustee of the Nimmity Belle Superannuation Fund which holds a total of 156,923 ordinary shares in the Company. Mr Dundo's indirect interests held via the Nimmity Belle Superannuation Fund are set out in the table above.

3. Mr Vasilios Votsaris is a director and shareholder of Paragon Systems Pty Ltd which holds a total of 11,821,000 ordinary shares in the Company issued by the Company as part of the consideration for the acquisition of the Paragon business. Mr Votsaris' indirect interests held via Paragon Systems Pty Ltd are set out in the table above.

Directors' Report (continued)

4. Mr Robin Rindel resigned as a director of the Company effective 30 June 2009. As at the date of resignation, Mr Rindel held the following interests in the Company:
   (a) as a beneficiary of the RS Rindel International Family A/C which held 5,341,057 ordinary shares and 2,500,000 options exercisable at $0.20 each on or before 28 February 2012; and
   (b) as a beneficiary of the Rindel Superannuation Fund which held 500,000 options exercisable at $0.30 each on or before 31 August 2011 and 1,150,000 performance shares.

5. Mr Bruce Harvey resigned as a director of the Company effective 30 June 2009. As at the date of resignation, Mr Harvey held an interest in the Company as a beneficiary of the BRH Superannuation Fund which held 1,103,601 ordinary shares and 600,000 performance shares.

Details on the Performance Shares are set out in Note 19 to the Financial Statements.

Information on Executive Management

Chief Executive Officer
The acting Chief Executive Officer at the date of this report is Mr Peter Alaster Cappendell. Mr Cappendell manages the sales and business development for the Group's Western Australian, Australian Capital Territory, Tasmanian and South Australian regions and has worked in corporate sales for 19 years and specifically in the ICT industry for 16 years. Mr Cappendell joined the Group in 1993 and was promoted to state manager for Western Australia in 2003.

Chief Financial Officer
The Chief Financial Officer as at the date of this report is Mr Jackob Tsaban having been appointed on 1 January 2008 following the resignation of Mr Mark Engelbrecht. Mr Tsaban qualified as a Chartered Accountant in Israel, moving to Australia in 2007, and has performed a role of chief financial officer for most of the last 10 years.

Company Secretary
The Company Secretary at the date of this report is Mr Jackob Tsaban having been appointed on 31 January 2009. Mr Tsaban replaced Ms Karen Browne who acted as the company secretary from 1 July 2006 until 30 January 2009.

Sales Director Eastern Region
Mr Anthony Heywood joined the Group on 9 June 2007 and is the Sales Director for the Eastern Region. Mr Heywood has been in the ICT industry for 19 years and has in-depth experience in telecommunications, systems integration, distribution and logistics. Mr Heywood's previous positions include account management for Optus Corporate and Government division, Regional Management and Divisional Management for LAN Systems and Enterprise Sales Director for Comindico Pty Ltd, a national IP carrier. .

National Services Sales Director
Mr Roy Nicolaas Pater joined the Company in April 2008 and is in charge of the sales, strategy and acquisition of services for the Group. The Services Division is responsible for the delivery of all Professional and Managed Services and in particularly focuses on the provision of Managed Services. Over the last 22 years, Roy has led many IT organisations in getting new services and technologies off the ground in areas such as Wireless Internet Services Provision (World First in 1995), SaaS services, thin client technologies, network management and system monitoring. Besides starting up and building several of his own companies in distribution, system integration and managed services, Roy has worked for Datatec, Dimension Data, Citrix and BCA IT. Roy also sits on the HP Services Advisory Council for APAC and is a key advisor to several other boards on setting their strategic business direction.

Principal Activity

The principal activity of the Group during the financial year was the provision of Information and Communication Technology ("ICT") infrastructure solutions within Australia.

Results

The net loss of the consolidated entity for FY09 after income tax was $1,059,000 (2008: profit $340,000).

Directors' Report (continued)

Review of Operations

The following table represents highlights for the financial year ended 30 June 2009 ("FY09"):

	H1 09 $'000	H2 09 $'000	FY09 $'000	FY08 $'000
Revenues	74,549	70,527	145,076	151,681
Expenses				
Changes in inventory	(531)	(1,427)	(1,958)	(4,078)
Purchase of goods	(60,680)	(55,320)	(116,000)	(121,610)
% of sales	83%	81%	82%	84%
Employee expenses	(10,052)	(8,759)	(18,811)	(17,461)
Other expenses	(3,617)	(4,120)	(7,737)	(6008)
Finance costs	(765)	(795)	(1,560)	(1,970)
Amortization of intangible assets	-	(69)	(69)	-
Profit/(Loss) from operations before income tax	**(1,096)**	**37**	**(1,059)**	**554**

The following non-recurring or non-cash expenses were incurred in the period under review:

	H1 09 $'000	H2 09 $'000	2009FY $'000	2008FY $'000
Aborted acquisition costs	-	-	-	400
Share based payments related to employee stock options	-	41	41	68
Costs in relation to exiting leases	-	220	220	-
Provision for fixed assets impairment	-	258	258	-
Provision for stock write down	224	347	571	-
Employees redundancy payments	-	370	370	-
Fair value adjustments to financial instruments	-	41	41	-
	224	1,277	1,501	468

The Group recorded revenue for FY09 of $145.1m which reflects a decrease of 4.4% on its revenue of $151.7m for the financial year ended 30 June 2008 ("FY08").

This decrease in revenue is a direct result of the global financial crisis which has affected most of the Group's customers and reduced levels of Federal Government demand.

Notwithstanding this decrease in revenue, the Group increased its service revenue by 35% during FY09 compared to FY08 excluding Coretech (acquired 1 April 2008) and Paragon (acquired 22 December 2008) service revenue grew by 15%. This is a result of the Group's focus on increasing its professional service and managed service offerings.

The Group's strategy of diversifying its reliance on its traditional states of the ACT and WA via acquisitions continued during FY09 through the acquisitions of Paragon and Synergy Plus.

The acquisition of the Paragon and Coretech businesses has resulted in the Group's education practice now accounting for over 25% of the Group's revenue and the Group has benefitted from the Federal Governments Digital Education Revolution Initiative which includes the supply of Personal Computers and associated Infrastructure. Coretech was awarded the supply for the third year of the Computers for Teachers ("C4T") program for the provision of up to 15,000 notebooks to Queensland Education. The first part of this deployment was realized in August 2009 when $9m of the order was delivered. Coretech performed in line with expectations during FY09 and as a result ComputerCORP intends to issue a further 2,468,502 fully paid ordinary shares at an issue price of $0.20 per share to satisfy the earn-out obligations for FY09.

The acquisition of Synergy Plus was part of the Group's strategy of broadening its services and solutions and addressing the enterprise market by providing high-end data solutions. Synergy Plus is a proven provider of data centre solutions to mid and large enterprises. Synergy Plus recorded a profit of $1.2m for the period since acquisition. Synergy Plus has a strong reputation in the enterprise market, which is a key area of focus for the Company in pursuing growth opportunities.

Directors' Report (continued)

Considerable focus has been placed on the integration of the businesses acquired. As at the date of this report, all three acquisitions have been fully integrated into the Company's systems and premises and all operational efficiencies identified have been realized.

The Group recorded a Gross margin of $27.1m in FY09 compared to $25.9m for FY08. The gross margin percentage increased to 19.0% compared to 17.4% for FY08 due to the increase in service revenues and the reduction in product revenues. If the Synergy Plus profit of $1.2m is excluded, the gross margin percentage would be 18.3% for FY09.

Operating expenses (excluding interest and depreciation) increased to $25.2m for FY09 compared to $22.5m for FY08. The main reasons for this were the increases in salaries and wages due to the acquisitions and general increases in rent and marketing expenses. The Group continues to monitor its cost base in light of changes in market conditions. The Group has moved its headquarters in WA to smaller and more efficient premises.

The amount of interest paid to third parties also decreased during the period. This is mainly a result of ongoing working capital management with further reductions in inventory and receivables achieved together with the official interest rate reductions over the period.

As a result, the Group produced an operating loss before tax of $1.06m for FY09 compared to a net profit before tax of $0.5m for FY08. Although overall for the year a loss was recorded, the second half of the year recorded a profit of $0.14m with the first half of the year recording a loss of $1.1m. If the write-offs referred to above amounting to $1.3m (in relation to stock, property, plant and equipment, redundancies and fair value adjustments) that were recorded in the second half are excluded the second half's operating profit would have amounted to $1.31m.

With the return to profitability in the second half of the year coupled with the acquisition of Synergy Plus, the Board is of the view that positive progress has been realized in positioning the Group for future growth.

Board of Directors

The names of directors of the Company during or since the end of the previous financial period up and till the date of this report are:

Mr. DV Martino	Non-Executive Chairman
Mr. KA Dundo	Non-Executive Director
Mr. V Votsaris	Non-Executive Director (appointed to the Board of Directors on 22 December 2008)

Mr. RS Rindel and Mr. BR Harvey were directors for the period under review and resigned from the Board on 30 June 2009. Mr. Rindel served as the Company's Chief Executive Officer during this period and stepped down from this position on 30 June 2009.

Chief Financial Officer and Company Secretary

The Board appointed Mr. Jackob Tsaban as Chief Financial Officer and Company Secretary as from 30 January 2009. Mrs K Browne, the previous Company Secretary left the Company on 30 January 2009.

Dividends
No dividends were paid or declared for payment during the financial year.

Significant Changes in the State Of Affairs

The following significant changes in the state of affairs of the Group occurred during the financial year.

Following the acquisition of the Synergy Plus business from Hyro Limited, ComputerCORP intends to seek shareholder approval to change its name to "Synergy Plus Limited" at the next annual general meeting.

On 7 May 2008, as a consequence of the Rodport acquisition, GE Commercial Corporation (Australia) Pty Ltd (GE) agreed to vary the terms of the A$ Facility Agreement ("Facility") to incorporate both ComputerCORP's and Rodport's existing respective facilities with GE which ultimately increased ComputerCORP's facility from $19,000,000 to $22,000,000 with an expiring date of 9 December 2008 and subsequently GE and ComputerCORP negotiated the terms of an extension of the Facility agreement which increased the facility to $24,000,000 maturing on 9 December 2011.

Directors' Report (continued)

Subsequent Events

The following material events have taken place subsequent to the end of the financial year.

On 22 June 2009 the Group signed a term sheet with S Central Pty Ltd ("S Central") to acquire S Central. The Company then commenced a capital raising of $10.5 million to fund the purchase consideration. The proposed capital raising included raising $6.2 million was via a placement to the S Central shareholders with the balance of $4.3 million being raised via a non-renounceable entitlements issue ("rights issue") to all Company shareholders. The rights issue was initially scheduled to close on 31 July 2009, but the Company has subsequently extended the closing date to 11 September 2009.

On 13 August 2009, the Company announced that delays had been encountered in finalizing the acquisition of S Central and appointed Mr. Peter Cappendell as the acting CEO in the interim. Subsequently on 2 September 2009, the Company announced that it will not proceed with the proposed acquisition of S Central. As a result the terms of the rights issue have been amended and in particular the underwriting of the rights issue by TCB Investment Holdings Pty Ltd (a company controlled by Mr. Martino, the Chairman of ComputerCORP) was revised down to $2 million in line with the Company's capital requirements notwithstanding that the full 1 for 1 rights issue amounting to $4.3 million will continue to be offered to shareholders. The rights issue is scheduled to close on 9 October 2009 (this date is indicative only and the Directors reserve the right to extend the closing date of the rights issue at their discretion).

In addition certain performance milestones have been achieved under the share sale agreement with the shareholders of Rodport Pty Ltd whereby the Company acquired the Coretech business. As a result of the Coretech business reaching a profit milestone of $850,000 for FY09 the Company intends to issue 2,468,502 shares to the vendors of the Coretech business in accordance with the terms of the share sale agreement.

Likely Developments and Expected Results
The Group anticipates that the competitive market conditions will continue, however the overall economic environment is expected to be significantly tougher in the year ahead. The Group, having returned to profitability in the second half of FY09, is seeking to improve its financial performance through a combination of organic growth, appropriate acquisitions to enhance its geographic scale or expertise in specific areas and ongoing identification of efficiencies in its operations enabling the continued decrease in operating expenses as a percentage of revenue.

The current pressure on staff recruitment and retention in the ICT labour market for the best skills is likely to continue although overall the market is expected to stabilise compared to recent years.

Further information on likely developments in the operations of the Group and the expected results of operations has not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group in respect to competitors in the marketplace.

Environmental Issues
The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnifying Officer or Auditor
The Group indemnifies its Directors and officers against all liabilities that may arise from their positions as Directors and officers of the Group except where the liability arises out of conduct of a wilful breach of duty. The agreement stipulates that the Group will meet the full amount of such liabilities including costs and expenses.

In addition, the Company has a contract insuring Directors and Officers of the Group. That contract prohibits the Group disclosing the nature of the liability insured against and the amount of the premium paid.

Proceedings on behalf of the Group
No person has applied for leave of a court to bring proceedings on behalf of the Group, or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Corporate Governance
The Directors support the adoption of appropriate corporate governance policies and a summary of the Company's corporate governance policies is set out separately and forms part of these financial statements.

Directors' Report (continued)

Remuneration Report

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

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

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

A Principles used to determine the nature and amount of remuneration

Remuneration & Nomination Committee ("Remuneration Committee")
The Board has delegated responsibility for the remuneration policy to the Remuneration Committee. The role of the Remuneration Committee, inter alia, is to establish the overall principles that determine the remuneration of the Group's executives. The Remuneration Committee operates under the Remuneration Committee Charter approved by the Board.

The composition of the Remuneration Committee during the 2009 financial year included DV Martino (Committee Chairman), KA Dundo and BR Harvey. Following the resignation of Mr Harvey as a director effective 30 June 2009, the Remuneration Committee is comprised of DV Martino (Committee Chairman) and KA Dundo.

The Chief Executive Officer and Chief Financial Officer may be invited to attend meetings of the Remuneration Committee from time to time but neither may take part in any discussions regarding their own remuneration. External advisers are used to provide information and advice as required.

Remuneration Philosophy
The Remuneration Committee sets the remuneration package for each executive.

The overall strategy of the Remuneration Committee is to ensure that executives are rewarded for their contribution to the Group's operating and financial performance at levels which take into account of the international IT industry, market and country benchmarks. In order to promote a common interest with shareholders, performance-linked share-based incentives are considered to be an important element of executive incentive policy.

The basic objective is that the executives should receive remuneration which is appropriate to their scale of responsibility and performance and which will attract, motivate and retain individuals of the necessary calibre. The underlying philosophy of the Remuneration Committee is to provide base pay at median levels by comparison with relevant comparator companies and to provide the potential for upper quartile earnings when corporate and individual performance justify it.

Summary of Remuneration
The remuneration of the executives consists of three main ingredients designed to balance long and short-term objectives: a base salary, a cash bonus plan with performance targets and long-term incentives in the form of share-based incentive schemes. The last two elements are designed to encourage and reward superior performance and to align the interests of the executives as closely as possible with the interests of the shareholders. In addition to these main ingredients, the executives also receive retirement and other benefits as outlined below.

With effect from 1 April 2007, a new Executive Compensation Plan ("the ECP") was introduced for all executives in the Group. The ECP splits an executive's compensation into a base salary and a variable portion, the split is determined based on the executive's responsibilities and position within the Group. The variable portion is payable in cash based on quarterly results and has a local performance target, a group performance target and individual objectives.

Base Salary
The base salary of the executives is subject to annual review and is set with reference to external market data relating to comparable international companies. Individual performance is also taken into consideration.

Directors' Report (continued)

Remuneration report (cont'd)

A Principles used to determine the nature and amount of remuneration (cont'd)

Cash Variable Compensation
All executives are eligible to participate in a cash bonus plan based on the achievement of short-term quarterly performance targets set for each executive individually. These targets include measures of corporate profit performance, divisional profit performance (where applicable) and the achievement of individual objectives. These targets are reviewed annually by the Remuneration Committee with the Chief Executive Officer. The quarterly variable compensation may amount to up to 240% of the variable compensation in the event of 150% of profit achievement in relation to budget.

Other Benefits
Executives are entitled to superannuation and in certain cases, the provision of car allowances or a fully maintained car.

B Share-Based Payments

ComputerCORP Employee Share Option Scheme ("ESOP").
Under the terms of the ESOP, options can be granted up to a maximum of 10% of the issued share capital. Options are granted at a price determined by the Directors in their absolute discretion but being no less than 80% of the market price quoted for buyers of the ordinary shares at the close of trading on the day immediately prior to the date of the offer of options as published by the Australian Securities Exchange.

Options vest over a period of four years from the first anniversary date on which the option was granted, at the rate of 25% at each anniversary of the date of grant. Options are eligible to be exercised within five years of being granted, unless such option lapses through death or termination of employment of the option holder.

As at 30 June 2009, a total of 5,722,500 ESOP options were on issue, including 5,622,500 ESOP options exercisable at an exercise price of $0.20 per option within 4 years of issue and 100,000 ESOP options exercisable at an exercise price of $0.25 per option within 4 years of issue. All issues of options were formally approved by the Board.

Directors' Report (continued)

Remuneration report (cont'd)

C Details of Remuneration

Amounts of Remuneration (Audited)	**Short-Term**			**Post Employment**				
2009	**Cash Salary & Fees**	**Cash Bonus**	**Non-monetary Benefits**	**Superannuation**	**Termination**	**Share Based Payments**	**Total**	**Proportion relating to performance**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-Executive Directors								
D V Martino (Chairman)	99,996	-	-	9,000	-	-	108,996	-
K A Dundo (Director)	39,996	-	-	3,600	-	-	43,596	-
V Votsaris (Director) [1]	20,000	-	-	1,800	-	-	21,800	-
B R Harvey (Director) [2]	50,000	-	-	-	-	-	50,000	-
Sub Total for Directors	**209,992**	**-**	**-**	**14,400**	**-**	**-**	**224,392**	**-**
Executive Director								
R S Rindel Chief Executive Officer [2]	296,400	-	-	64,176	-	-	360,576	-
Key Management Personnel at end of FY09								
P Cappendell Sales Director Central & Western Region	160,400	20,600	-	17,345	-	7,291	205,636	10.02%
A Heywood Sales Director Eastern Region	156,000	12,743	-	13,389	-	10,491	192,623	6.62%
G R Batchelor National Solutions Director Resigned 30 September 2008	50,406	-	-	3,893	-	-	54,299	-
K Browne Company Secretary Resigned 30 January 2009	118,031	-	6,757	7,875	-	-	132,663	-
R N Pater National Services Sales Director Appointed 7 April 2008	150,000	47,117	-	13,745	-	3,794	214,656	21.95%
J Tsaban CFO and Company Secretary Appointed 1 January 2009	132,500	14,797	-	13,138	-	1,749	162,184	9.12%
Sub Total for Executive Director and Key Management	**1,063,737**	**95,257**	**6,757**	**133,561**	**-**	**23,325**	**1,322,637**	**-**

1. Appointed as a director on 22 December 2008.
2. Resigned as a director effective 30 June 2009.

Directors' Report (continued)

Remuneration report (cont'd)

C Details of Remuneration (cont'd)

Amounts of Remuneration (Audited)	Short-Term			Post Employment				
2008	**Cash Salary & Fees**	**Cash Bonus**	**Non-monetary Benefits**	**Superannuation**	**Termination**	**Share Based Payments**	**Total**	**Proportion relating to performance**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-Executive Directors								
D V Martino (Chairman)	99,996	-	-	9,000	-	-	108,996	-
K A Dundo (Director)	39,996	-	-	3,600	-	-	43,596	-
B R Harvey (Director)	50,000	-	-	-	-	-	50,000	-
Sub Total for Directors	**189,992**	**-**	**-**	**12,600**	**-**	**-**	**202,592**	**-**
Executive Director								
R S Rindel* Chief Executive Officer	262,500	-	-	64,275	-		326,775	-
Key Management Personnel at end of FY08								
P Cappendell Sales Director Central & Western Region	164,000	33,108	-	13,129	-	7,705	217,942	15.19%
A Heywood Sales Director Eastern Region	150,000	35,930	-	13,129	-	18,604	217,663	16.51%
G R Batchelor National Solutions Director	129,000	49,147	-	13,129	-	12,402	203,678	24.13%
K Browne Company Secretary	120,000	26,250	11,583	12,997	-	1,860	172,690	15.20%
R N Pater National Services Sales Director Appointed 7 April 2008	35,385	11,000	-	3,282	-	1,504	51,171	21.50%
Sub Total for Executive Director and Key Management	**860,885**	**155,435**	**11,583**	**119,941**	**-**	**42,075**	**1,189,919**	**-**

* Mr Rindel sacrificed $37,500 of his base salary to superannuation in the period to June 2008.

Non-Executive Directors' Remuneration

Non-Executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

The Board has determined the fee structure as follows:

Position	**Fee**
Chairman of the Board	$100,000
Non-Executive Director	$30,000
Member of the Audit and Risk Management Committee	$10,000
Member of the Remuneration and Nomination Committee	$10,000

Details of the fees of individual Directors are given in the Directors' emoluments section above.

Directors' Report (continued)

Remuneration report (cont'd)

D Service Agreements

Employment Contracts
Mr Rindel resigned as a Director and Chief Executive Officer effective 30 June 2009. Mr Rindel was engaged by the Company pursuant to a service agreement, the material terms of which provided for the payment to Mr Rindel of a base salary of $300,000 per annum and an annual bonus based on the Company achieving financial targets and operating objectives set out by the Board. Any bonus would be payable on or before 30 October of each year up to a maximum amount of $300,000. The agreement was able to be terminated on six months' notice by either party or payment of six months' salary in lieu of notice. All other terms of the agreement are those that are normally included in such agreement.

Other Key Management Personnel
All executive employment contracts include a base salary and variable compensation which falls under the ECP as determined annually by the remuneration & nomination committee and/or the Board at the commencement of each financial year. The Group may terminate such contracts, without notice, for gross misconduct, otherwise each party may terminate the contracts with the required termination notice of one month with the exception of Ms K L Browne whose contract required three months notice by either party.

E Additional Information

Auditor Independence and Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or Group are important.

Details of the amounts paid or payable to the auditor (RSM Bird Cameron Partners) for audit and non audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and

- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non related audit firms:

	Consolidated	
	2009	**2008**
	$	**$**
Audit services		
RSM Bird Cameron Partners		
- Audit and review of financial reports	150	162
- Other audit work under the *Corporations Act 2001*	37	-
Total remuneration for audit services	150	162
Total remuneration for auditors	187	162

Directors' Report (continued)

Remuneration report (cont'd)

E Additional Information (cont'd)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporation Act 2001 is included in the financial statements.

Auditor

RSM Bird Cameron Partners continues in office in accordance with section 327 of the Corporations Act 2001.

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

D V MARTINO
Chairman
Stirling, Western Australia, 30 September 2009

RSM! Bird Cameron Partners
Chartered Accountants

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www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead audit partner for the audit of the financial report of ComputerCORP Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

J A KOMNINOS
Partner

Perth, WA
Dated: 30 September 2009

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

COMPUTERCORP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of ComputerCORP Limited ("the company"), which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's Opinion

In our opinion:

(a) the financial report of ComputerCORP Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date;

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 1 to the financial statements, which indicates that the company and consolidated entity, for the year ended 30 June 2009 incurred net losses of $817,000 and $1,059,000 respectively and had net current liabilities of $531,000 and $118,000 respectively. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns and therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 13 of the directors' report for the financial year ended 30 June 2009. 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.

Auditor's Opinion

In our opinion the Remuneration Report of ComputerCORP Limited for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001.*

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

J A KOMNINOS
Partner

Perth, WA
Dated: 30 September 2009

Income Statements
For the year ended 30 June 2009

	Note	Consolidated Group 2009 $'000	Consolidated Group 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Revenue					
Sales and service	2	143,018	149,544	-	-
Other income	2	2,058	2,137	-	12
Expenses					
Changes in inventory		(1,958)	(4,078)	-	-
Purchase of goods		(116,000)	(121,610)	-	-
Employee expenses		(18,811)	(17,461)	-	-
Other expenses	2	(7,806)	(6,008)	(275)	(603)
Finance costs		(1,560)	(1,970)	(542)	(439)
(Loss)/Profit before income tax		(1,059)	554	(817)	(1,030)
Income tax	3	-	(214)	-	293
(Loss)/Profit for the year		(1,059)	340	(817)	(737)
(Loss)/Profit attributable to members of the parent entity		(1,059)	340	(817)	(737)
Earnings/(Loss) Per Share:	4				
Basic (cents per share)		(1.04)	0.37	-	-
Diluted (cents per share)		(1.04)	0.34	-	-

The above income statements are to be read in conjunction with the accompanying notes.

Balance Sheets
As at 30 June 2009

	Note	Consolidated Group 2009 $'000	Consolidated Group 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Current Assets					
Cash and cash equivalents	6	2,123	5,010	7	7
Trade and other receivables	7	19,124	25,969	-	3
Inventories	8	2,531	4,489	-	-
Total Current Assets		23,778	35,468	7	10
Non-Current Assets					
Financial assets	9	84	94	3,381	2,887
Trade and other receivables	7	182	115	2,906	3,120
Property, plant and equipment	11	3,011	3,029	-	-
Deferred tax assets	12	2,303	2,091	450	450
Intangible assets	13	15,467	6,808	-	-
Total Non-Current Assets		21,047	12,137	6,737	6,457
Total Assets		44,825	47,605	6,744	6,467
Current Liabilities					
Trade and other payables	14	17,974	28,000	538	-
Interest bearing liabilities	15	90	147		-
Amounts due to vendor	16	4,300	-	-	
Provisions	17	1,532	1,537	-	-
Total Current Liabilities		23,896	29,684	538	-
Non-current liabilities					
Interest bearing liabilities	15	11,260	10,169		-
Convertible notes	18	4,780	4,738	4,780	4,738
Amounts due to vendor	16	2,200	-	-	-
Provisions	17	324	104	-	-
Total Non-Liabilities		18,564	15,011	4,780	4,738
Total Liabilities		42,460	44,695	5,318	4,738
Total Net Assets		2,365	2,910	1,426	1,729
Equity					
Issued capital	19	26,978	26,505	26,978	26,505
Reserves	20	(82)	(123)	(82)	(123)
Accumulated losses		(24,531)	(23,472)	(25,470)	(24,653)
Total Equity		2,365	2,910	1,426	1,729

The above balance sheets are to be read in conjunction with the accompanying notes.

Statements of Changes in Equity
For the year ended 30 June 2009

	Note	Share Capital $'000	Retained Losses $'000	Reserves $'000	Total $'000
Consolidated Group					
Balance at 1 July 2007		25,805	(23,812)	(215)	1,778
Profit attributable to members of the parent entity		-	340	-	340
Valuation gain on available for sale financial instrument		-	-	(32)	(32)
Share based payment		-	-	68	68
Issue of convertible notes (net of tax)		-	-	56	56
Shares issued (net)		700	-	-	700
Balance at 30 June 2008		26,505	(23,472)	(123)	2,910
Balance at 1 July 2008		26,505	(23,472)	(123)	2,910
Loss attributable to members of the parent equity		-	(1,059)	-	(1,059)
Share based payment		-	-	41	41
Shares issued (net)		473	-	-	473
Balance at 30 June 2009	19/20	26,978	(24,531)	(82)	2,365
Parent Entity					
Balance at 1 July 2007		25,805	(23,916)	(215)	1,674
Loss attributable to members of the parent equity		-	(737)	-	(737)
Valuation loss on available for sale of financial instruments		-	-	(32)	(32)
Share based payment		-	-	68	68
Issue of convertible notes (net of tax)		-	-	56	56
Shares issued (net)		700	-	-	700
Balance at 30 June 2008		26,505	(24,653)	(123)	1,729
Balance at 1 July 2008		26,505	(24,653)	(123)	1,729
Loss attributable to members of the parent equity		-	(817)	-	(817)
Share based payment		-	-	41	41
Issue of convertible notes (net of tax)					
Shares issued (net)		473	-	-	473
Balance at 30 June 2009	19/20	26,978	(25,470)	(82)	1,426

The statements of changes in equity are to be read in conjunction with the accompanying notes.

Cash Flow Statements
For the year ended 30 June 2009

	Note	Consolidated Group 2009 $'000	Consolidated Group 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Cash Flows from Operating Activities					
Receipts from customers		151,925	149,383	3	34
Payments to suppliers and employees		(149,192)	(145,064)	(190)	(680)
Finance costs		(1,560)	(1,773)	(500)	(370)
Interest received		-	20	-	12
Net Cash Flows provided by/(used in) Operating Activities	24(a)	1,173	2,566	(687)	(1,004)
Cash Flows from Investing Activities					
Payment for property, plant and equipment		(734)	(526)	-	-
Proceeds from sale of plant and equipment		40	181	-	-
Payment for purchase of business, net of cash		(4,400)	-	-	-
Payment for purchase of subsidiary, net of cash	24(b)	-	(615)	-	(615)
Net Cash Flows (used in)/ provided by Investing Activities		(5,094)	(960)	-	(615)
Cash Flows from Financing Activities					
Proceeds from convertible notes issue		-	4,750	-	4,750
Repayment from/(Loans to) subsidiary		-	-	687	(3,149)
Increase/(Repayment) of borrowings		1,034	(5,095)	-	-
Net Cash Flows (used in)/provided by Financing Activities		1,034	(345)	687	1,601
Net Increase/(Decrease) in Cash and Cash Equivalents Held		(2,887)	1,261	-	(18)
Cash and cash equivalents at the beginning of the year		5,010	3,749	7	25
Cash and cash equivalents at the end of the financial year	6	2,123	5,010	7	7

The above cash flow statements are to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of significant accounting policies

The financial report covers the Consolidated Group of ComputerCORP Limited and controlled entities, and ComputerCORP Limited as an individual parent entity. ComputerCORP Limited is a listed public Company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 30 September 2009 by the Board of Directors.

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

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

Reporting Basis and Conventions
The financial report has been prepared on the accruals basis, based on historical cost modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

The financial report has been prepared on the accruals basis, based on historical cost modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

As disclosed in the financial statements, the company and consolidated entity, for the year ended 30 June 2009 incurred net losses of $817,000 and $1,059,000 respectively and had net current liabilities of $531,000 and $118,000 respectively. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns. However, the directors believe the company and the consolidated entity are going concerns, after considering the following matters:

- the group has announced a $4.3 million rights issue underwritten to the extent of $2.0 million which will provide further working capital;
- the group recorded a profit in the second half of the 2009 financial year; and
- for the 12 month period from the date of this financial report, the group is budgeting to be profitable and to generate positive trading cashflows from operations, in the 2010 financial year.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity does not continue as going concerns.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

Accounting Policies

(a) Principles of consolidation

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

A list of controlled entities is contained in Note 10 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity. Where controlled entities have entered or left the Consolidated Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

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

(b) Income Tax

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 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 Consolidated Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation
During the period, ComputerCORP Ltd and its wholly-owned Australian controlled entity have decided to implement the tax consolidation legislation and the Company will act as the head entity. ComputerCORP Ltd and its wholly-owned Australian subsidiaries have been consolidated for tax purposes under the Tax Consolidation System. The Australian Taxation Office has been notified of this decision.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(c) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue includes revenue earned net of returns, discounts, allowances, duties and taxes paid.

Revenue from the sale of goods is recognised upon transfer of risks and rewards of ownership to the customer, being the shipment of the goods to the customer.

Revenue from services is recognised in accordance with the percentage completion method. Where it is probable that a loss will arise from a fixed price contract, the full excess of the costs over the revenue is recognised as an expense immediately.

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).

(d) Foreign currency translation

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

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

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(f) 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.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(h) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the economic entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision 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. The amount of the provision is recognised in the income statement.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on a specific identification basis.

(j) 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.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets 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 Consolidated 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.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(j) Property, plant and equipment (cont'd)

Depreciation
The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line value basis over their useful lives to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	9% - 40%
Motor Vehicles	15%

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.

(k) Intangibles

Goodwill is 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 and businesses is included in intangible assets. 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.

Customer orders back log and customer contracts related customer relationship have a finite life and are amortised on a systematic basic over 2 to 3 years.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Group prior to the end of the financial year which are unpaid. The amounts are generally paid within 60 days of recognition.

(m) Provisions

Provisions are recognised when the Consolidated Group has a present obligation, legal or constructive, as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured.

(n) Employee benefits

Provision is made for the Consolidated Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits

Equity-settled compensation
The Consolidated Group operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(o) Borrowing cost

All borrowing costs are recognised in the income statement in the period in which they are incurred.

(p) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unrealisable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the economic entity's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the economic entity's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Company's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(q) Financial instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments
These investments have fixed maturities, and it is the Consolidated Group's intention to hold these investments to maturity. Any held-to-maturity investments held by the Consolidated Group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken to equity.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment
At each reporting date, the Consolidated Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(r) Impairment of assets

At each reporting date, the Consolidated Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(s) Compound Financial Instruments

Compound financial instruments issued by the Consolidated Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. Distributions to the equity holders are recognized against equity, net of any tax benefit.

(t) Contributed equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received. Any transactions costs arising on the issue of ordinary shares are fully recognised directly in equity as a reduction of the proceeds received.

(u) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Consolidated Group, adjusted to exclude costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after 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.

(v) Comparative figures

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

(w) Critical accounting estimates and judgments

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

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies (cont'd)

(w) Critical accounting estimates and judgements (cont'd)

Key estimates and judgements

Impairment
The Consolidated Group assesses impairment at each reporting date by evaluating conditions specific to the economic entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Impairment of goodwill
The Consolidated Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill is allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill are discussed in note 13.

Inventory net realisable values and impairment assessments
Inventory is valued at the lower of cost or net realisable value. Assessments are performed annually and are based on management's estimates of future market conditions.

(x) Rounding of amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and Director's report have been rounded off to the nearest $1,000.

Notes to the Financial Statements (continued)

2. Revenue and Expenses

	Consolidated Group		Parent Entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Revenue				
Sales and Service:				
- Sale of Goods	130,958	140,614	-	-
- Services rendered	12,060	8,930	-	-
	143,018	149,544	-	-
Other Income:				
- Interest received	-	32	-	12
- Profit/(loss) on disposal of plant and equipment	(6)	9	-	-
- Rebates	1,873	1,829	-	-
- Other	191	267	-	-
	2,058	2,137	-	12
Other Expenses				
Communication expenses	609	626	-	-
Directors' fees	210	147	210	147
Bad and doubtful debts	2	100	-	-
Rental expense	2,149	1,640	-	-
Depreciation and amortisation expenses	884	589	-	-
Impairment of property, plant and equipment	258	-	-	-
Other*	3,694	2,906	65	456
	7,806	6,008	275	603

* The following non-recurring or non-cash expenses were incurred in the year under review:

	Consolidated Group	
	2009 $'000	2008 $'000
Aborted acquisition costs	-	400
Share based payments related to employee stock options	41	68
Costs in relation to exiting leases	220	-
Provision for fixed assets impairment	258	-
Provision for stock write down	571	-
Employees redundancy payments	370	-
Fair value adjustments to financial instruments	41	-
Total non-recurring or non-cash expenses	1,501	468

Notes to the Financial Statements (continued)

3. Income tax

	Consolidated Group 2009 $'000	Consolidated Group 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
(a) Income tax expense/(benefit)				
Current tax	-	-	-	-
Deferred tax	-	214	-	(293)
	-	214	-	(293)
(b) Reconciliation of income tax expense/(benefit) to prima facie income tax benefit				
Prima facie income tax expense/(benefit) on operating profit/(loss) at 30%	(318)	166	(245)	(309)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
- Non deductible expenditure	76	48	13	16
Tax effect on temporary differences and tax losses not recognised	242	-	(232)	-
Income tax expense/(benefit)	-	214	-	(293)

No income tax is payable by the consolidated group and parent entity as they incurred losses for income tax purposes for the year. At 30 June 2009, the deferred tax assets on current year tax losses of approximately $440,000 was not recognised on the basis that the probability criteria for carrying forward tax losses has not been met.

4. Earnings/(Loss) per share

	Consolidated Group 2009 $'000	Consolidated Group 2008 $'000
(a) Reconciliation of earnings to profit/(loss)		
Profit/(loss)	(1,059)	340
Earnings/(loss) used to calculate basic EPS	(1,059)	340
Earnings/(loss) used in the calculation of diluted EPS	(1,059)	340

	2009 Shares	2008 Shares
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	101,801,574	92,637,217
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	101,801,574	98,637,217

All options currently on issue are "out of the money" and are not considered dilutive. They have therefore been excluded from the calculation of the diluted earnings per share.

Notes to the Financial Statements (continued)

5. Auditors' remuneration

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Remuneration of the auditor of the parent entity for :				
- Auditing or reviewing the financial report	150	162	-	-
- Other non audit services	37	-	-	-
	187	162	-	-

The auditor's remuneration for the parent entity was to be paid by one of the subsidiaries.

6. Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Cash at bank and on hand	2,123	5,010	7	7

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the cash flow statements is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	2,123	5,010	7	7

7. Trade and other receivables

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Current				
Trade receivable	15,967	24,708	-	-
Allowance for impairment	(31)	(100)	-	-
	15,936	24,608	-	-
GST receivable	-	-	-	3
Accrued revenue	-	30	-	-
Prepayment	654	580	-	-
Advance payment	859	-	-	-
Other receivables	1,675	751	-	-
	19,124	25,969	-	3
Non current				
Rental deposit	182	115	-	-
Loans to controlled entities	-	-	10,573	10,787
Provision for impairment	-	-	(7,667)	(7,667)
	182	115	2,906	3,120

Notes to the Financial Statements (continued)

7. Trade and other receivables (cont'd)

At 30 June 2009, trade receivables of $5,011,000 (2008: $5,798,000) were past due but not impaired. As of the date of this report, $4,121,000 of overdues were collected. These relate to a number of customers for whom there is no recent history of default or other indicators of impairment. The ageing analysis of these trade receivables is as follows:

	Consolidated Group	
	2009	2008
	$'000	$'000
Current	10,956	18,910
Less than 30 days overdue	2,820	2,993
Between 31 and 60 days overdue	999	1,093
Greater than 60 days overdue	1,192	1,712
	15,967	24,708

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

	Consolidated Group	
	2009	2008
	$'000	$'000
Balance at beginning of year	100	-
Doubtful debt write off	(69)	-
Provision for impairment recognised during the year	-	100
Balance at end of year	31	100

With respect to trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The consolidated entity does not hold any collateral as security. Refer to note 29 for more information on risk management, foreign currency risk and interest rate risk.

8. Inventories

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Finished goods and spares	2,686	4,525	-	-
Provision for impairment of obsolete stock	(155)	(36)	-	-
	2,531	4,489	-	-

At the end of 2009, a review of obsolete inventory was carried out and an impairment charge of $155,000 was raised (2008: 36,000) in respect of aged inventory and inventory held as spares for maintenance agreements provided by the Consolidated Group.

Notes to the Financial Statements (continued)

9. Financial assets

	Consolidated Group		Parent Entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Non Current:				
Available for sale financial asset				
- Shares in listed corporations at fair value	84	94	59	59
Investment in subsidiaries, at cost	-	-	13,322	12,828
Accumulated impairment	-	-	(10,000)	(10,000)
Carrying value	-	-	3,322	2,828
Total financial assets	84	94	3,381	2,887

10. Controlled entities

(a) Controlled entities consolidated

	Country of Incorporation	Percentage Owned (%) 2009	Percentage Owned (%) 2008
Parent entity:			
ComputerCORP Limited			
Subsidiaries of ComputerCORP Limited:			
CCP Equity Pty Ltd	Australia	100%	100%
Synergy Plus Operations Pty Ltd	Australia	100%	100%
ComputerCORP Wholesale Pty Ltd	Australia	100%	100%
ComputerCORP Finance Pty Ltd	Australia	100%	100%
Rodport Pty Ltd t/a Coretech *	Australia	100%	100%

* Acquired on 28 March 2008

(b) Acquisition of controlled entities

There is no acquisition of controlled entity during the year.

(c) Disposal of controlled entity

There is no disposal of controlled entity during the year.

Notes to the Financial Statements (continued)

11. Property, plant and equipment

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Plant and equipment				
At cost	8,204	8,021	-	-
Accumulated depreciation	(5,466)	(5,264)	-	-
	2,738	2,757	-	-
Motor vehicles				
At cost	493	710	-	-
Accumulated depreciation	(220)	(438)	-	-
	273	272	-	-
Total property, plant and equipment	3,011	3,029	-	-

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

Consolidated Group:

	Consolidated Group Plant and Equipment		Consolidated Group Motor Vehicles	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Balance at beginning of the year	2,757	2,546	272	198
Additions	758	526	-	-
Additions through acquisition of businesses/entities	257	277	110	242
Disposals	-	(49)	(70)	(122)
Impairment	(258)	-	-	-
Depreciation expense	(762)	(543)	(53)	(46)
Balance at end of the year	2,752	2,757	259	272

As at 30 June 2009, property, plant and equipment with net value of approximately $215,625 (2008: $345,364) are under finance lease.

Notes to the Financial Statements (continued)

12. Deferred tax assets

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
(a) Deferred tax assets				
Deferred tax assets comprise:				
Provisions	101	45	-	-
Doubtful debts	9	-	-	-
Employee benefits	607	492	-	-
Accrued expenses	89	100	-	-
Other	238	195	123	122
Tax losses	1,293	1,293	351	352
	2,337	2,125	474	474
(b) Deferred tax liabilities				
Property, plants and equipment	(10)	(10)	-	-
Convertible Notes	(24)	(24)	(24)	(24)
	(34)	(34)	(24)	(24)
Net Deferred tax assets	2,303	2,091	450	450
(c) Reconciliations				
Deferred tax assets				
The overall movement in the deferred tax account is as follows:				
Opening balance	2,125	2,084	474	181
Amounts recorded in acquired businesses/ entity	212	245	-	-
Losses recouped charged to income statement	-	(82)	-	-
(Charge)/credit to income statement	-	(122)	-	293
Closing balance	2,337	2,125	474	474
Deferred tax liabilities				
Opening balance	34	-	24	-
Charged to equity	-	24	-	24
Charged to income statement	-	10	-	-
	34	34	24	24

Notes to the Financial Statements (continued)

13. Intangible assets

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Goodwill, at cost	29,115	20,550	-	-
Accumulated impairment losses	(13,742)	(13,742)	-	-
Net carrying value	15,373	6,808	-	-
Other intangible assets				
Acquisition through business combination	163	-	-	-
Amortisation for the year	(69)	-	-	-
Net carrying value	94	-	-	-
Total carrying value of intangible assets	15,467	6,808	-	-
Movement in the carrying value of goodwill				
Balance at the beginning of the year	6,808	5,414	-	-
Acquisition through business combinations	8,565	1,394	-	-
Balance at end of year	15,373	6,808	-	-

Goodwill has an indefinite life. Goodwill, including that resulting from the business acquisition during the year, has been allocated to the Consolidated Group's business units and at balance date, this goodwill has been tested for impairment across units.

The recoverable amount has been determined based on a value-in-use calculation using cash flow projections based on financial projections approved by the Board for financial year 2010. The before-tax discount rate applied to cash flow projections is 16%. The discount rate is adjusted to incorporate risk associated with the Information Technology industry. Cash flows beyond the 2010 financial year have been extrapolated using an average growth rate of 2.0%.

Goodwill is allocated to the Group's cash generating units (CGUs) identified according to business segment.
A segment level summary of the goodwill allocation is presented below.

	Consolidated Group	
	2009	2008
	$'000	$'000
Information and Communications Technology	8,897	6,808
Business critical systems	6,476	-
Total goodwill balance	15,373	6,808

Other intangible assets consist of customer orders back log and customer contracts related customer relationships.
The current amortisation charges for intangible assets are included under depreciation and amortisation expenses in the income statement.

Notes to the Financial Statements (continued)

13. Intangible assets (cont'd)

Key assumptions used in value-in-use calculations:

Budgeted gross margins have been determined based on past performance and management's expectations for the future. The discount rate was estimated based on the Company's weighted average cost of capital at the date of impairment test.

The result of such value-in-use calculation was that for the year ended 30 June 2009, the goodwill was not impaired (2008: the goodwill was not impaired) with the net carrying value at the end of the financial year amounting to $15,373,000 (2008: $6,808,000).

14. Trade and other payables

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade payables	16,602	24,849	-	-
Accrued expense	221	749	44	-
Accrued salaries and wages	20	552	-	-
Other payables	992	998	494	-
Unearned revenue	139	852	-	-
	17,974	28,000	538	-

15. Interest bearing liabilities

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Current				
Lease liability	90	147	-	-
	90	147	-	-
Non current				
Unsecured loan	217	-	-	-
Lease liability	58	76	-	-
Revolving credit facility	10,985	10,093	-	-
	11,260	10,169	-	-

The revolving credit facility bears interest at a rate of 2.75% p.a. above the index rate, which is the 90 day bank bill swap rate in the first business day of each month. Further details on the revolving facility can be found in note 29. Assets financed under the hire purchase lease are secured in terms of such hire purchase lease with further details included in the note 21 "Commitments".

Unsecured loan bear interest at 4.7% per annum and is repayable by August 2010.

16. Amounts due to vendor

Amounts due to vendor consists of purchase consideration payable in instalments in accordance with the sales and purchase agreement for the acquisition of Synergy Plus business. The amounts are to be financed by the capital raising as mentioned in note 32.

Notes to the Financial Statements (continued)

17. Provisions

Current:

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Employee entitlements				
Opening balance at beginning of year	1,537	870	-	-
Acquired during the year	507	539	-	-
Additional provisions raised during year	1,038	1,115	-	-
Amounts used	(1,550)	(987)	-	-
Balance at end of the year	1,532	1,537	-	-

Non current:

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Employee entitlements				
Opening balance at beginning of year	104	36	-	-
Additional provisions raised during year	220	68	-	-
Amounts used	-	-	-	-
Balance at end of the year	324	104	-	-

18. Convertible Notes

		Consolidated Group and Parent Entity	
		2009	**2008**
	Number	**$'000**	**$'000**
Opening balance	25,000,000	4,738	-
Proceeds from issue of convertible notes		-	5,000
Transaction costs		-	(250)
Net proceeds		4,738	4,750
Amount classified as equity (before tax)		-	(81)
Interest expense *		42	69
Fair Value at 30 June 2009	25,000,000	4,780	4,738

* Interest expense is calculated by applying the effective interest rate of 12.18% to the liability component.

On 29 November 2007, shareholders approved and ratified the issue of 25 million convertible notes to raise $5,000,000 for working capital and future acquisitions. The salient terms of the convertible notes are:

(a) The notes have a face value of $0.20 each;
(b) The notes will mature on 31 August 2011;
(c) Interest at 10% per annum will accrue on the notes until maturity payable quarterly;
(d) Note holders may convert the notes (in aggregate amounts of not less than $10,000) into shares in the Company during the period commencing from the date of issue and ending on 31 August 2008 at a price per share equal to the volume weighted average price of the shares as traded on the ASX on 30 trading days immediately prior to the date of conversion provided that the conversion price is not less than $0.20 or, alternatively, from 1 September 2008 to 30 August 2011, at a price per share of $0.20;
(e) If any notes remain unconverted on their maturity date, the Company will repay the total amount outstanding under the notes to the relevant note holder;
(f) Any shares issued to note holders pursuant to the convertible notes will rank equally with all other shares on issue.

Notes to the Financial Statements (continued)

19. Issued capital

	Parent Entity 2009 Number of shares	2009 $'000	2008 Number of shares	2008 $'000
(a) Ordinary shares				
At the beginning of the year*	101,648,177	26,505	98,148,176	25,805
- Issue to vendor of businesses acquired	11,821,000	473	3,500,001	700
- At reporting date	113,469,177	26,978	101,648,177	26,505

***** Including $6m performance shares.

At the shareholders' meeting each ordinary share is entitled to 1 vote when a poll is called, otherwise each shareholder has 1 vote on a show of hands.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Performance shares*

Each performance share entitles the holder to convert one (1) performance share into one (1) fully paid ordinary share in the Company in accordance with the milestones set out below (these securities are allotted but not issued and until issued on meeting the milestones referred to below do not rank pari passu with the fully paid ordinary shares in the Company).

Milestone	Number
Class "A" – Upon achievement of $2,000,000 Profit after tax.	1,500,000
Class "B" – Upon achievement of $3,000,000 Profit after tax.	1,500,000
Class "C" – Upon achievement of $4,000,000 Profit after tax.	1,500,000
Class "D" – Upon achievement of $5,000,000 Profit after tax.	1,500,000
	6,000,000

For the avoidance of doubt, the milestones referred to above relate to profit after tax for the financial period commencing 1 July 2006 and each subsequent financial period ending 30 June. These milestones have to be achieved by 30 June 2011.

(b) Options

(i) For information relating to the ESOP, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 27 Share-based Payments.

(ii) For information relating to share options issued to key management personnel during the financial year, refer to Note 27 Share-based Payments

(c) Capital Management

Management controls the capital of the Consolidated Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Consolidated Group can fund its operations and continue as a going concern.

The Consolidated Group's debt and capital includes ordinary share capital, and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Notes to the Financial Statements (continued)

19. Issued capital (cont'd)

(c) Capital management (cont'd)

Management effectively manages the Consolidated Group's capital by assessing the Consolidated Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. Management believe that the gearing ratio will improve following completion of the announced capital raising and completion of payments to Hyro Limited (as vendor of the Synergy Plus business), which are included in total borrowings as set out in Balance Sheet and will be paid from profits derived from the new Synergy Plus business.

There have been no changes in the strategy adopted by management to control the capital of the Consolidated Group since the prior year. This strategy is to improve the Consolidated Group's gearing ratio. The gearing ratios for the year ended 30 June 2009 and 30 June 2008 are as follows:

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$'000	$'000	$'000	$'000
Total borrowings	14,15,16,18	40,604	43,054	5,318	4,738
Less cash and cash equivalents	6	2,123	5,010	7	7
Net debt		38,481	38,044	5,311	4,731
Total equity		2,365	2,910	1,426	1,729
Total Capital		40,846	40,954	6,737	6,460
Gearing ratio		94%	93%	79%	73%

20. Reserves

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Share based payment reserve	109	68	109	68
Available for sale instruments	(247)	(247)	(247)	(247)
Convertible notes	56	56	56	56
	(82)	(123)	(82)	(123)

Notes to the Financial Statements (continued)

21. Commitments

	Consolidated Group	
	2009	**2008**
	$'000	**$'000**
(a) Finance lease commitments		
Payable - minimum lease payments		
Not later than 12 months	100	159
Between 12 months and 5 years	64	81
Minimum lease payment	164	240
Less: future finance charge	(16)	(17)
	148	223
Represented by:		
Current	90	147
Non-Current	58	76
	148	223
(b) Operating lease commitments		
Payable - minimum lease payments		
Not later than 12 months	1,873	1,359
Between 12 months and 5 years	4,564	897
Minimum lease payment	6,437	2,256

22. Contingent liabilities and contingent assets

Contingent Liabilities

At 30 June 2009, no bank guarantees were provided (2008: $241,158) by the Consolidated Group to lessors as security for premises leased by the operating entity. The Group has no known material contingent liabilities as at 30 June 2009.

Cross guarantees have been provided by the parent entity and its Australian wholly owned subsidiaries as described in Note 26.

Contingent Assets

The Consolidated Group has no contingent assets as at 30 June 2009.

23. Segment reporting

Business segment

The Consolidated Group predominantly operates in one business segment. Its activities include the provision of Information and Communications Technology ("ICT") products, services and solutions to its customer base.

Geographical segment

The Consolidated Group's operations are based predominantly in Australia.

Notes to the Financial Statements (continued)

24. Cash Flow Information

(a) Reconciliation Cash Flow From Operating Activities

	Consolidated Group		Parent Entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Profit/(Loss) after income tax	(1,059)	340	(817)	(737)
Non-cash flows in loss from ordinary activities:				
Depreciation and amortisation	884	589	-	-
Property, plant and equipment written off	258	-	-	-
Provision for obsolete stock	195	-	-	-
Employees stock options valuation	42	68	42	-
Revaluation of Convertible Notes to NBV	42	69	42	69
(Gain) / loss on disposal of fixed assets	6	(9)	-	-
Changes in assets and liabilities net of the effects of purchase and disposal of subsidiaries:				
(Increase) / decrease in other assets	11	(34)	-	-
(Increase) / decrease in trade and other receivables	6,859	(2,259)	2	34
(Increase) / decrease in inventories	2,412	4,515	-	(293)
(Increase) / decrease in tax	(78)	214	-	-
Increase / (decrease) in payables	(8,107)	(1,136)	44	(77)
Increase / (decrease) in provisions	(292)	209	-	-
Net cash flow provided by/(used in) Operating activities	1,173	2,566	(687)	(1,004)

(b) Acquisition of entity / businesses

For Financial Year 2009 – Acquisition of businesses

The Company's subsidiary, Synergy Plus Operations Pty Ltd (formerly known as ComputerCORP (Operations) Pty Ltd) acquired the following businesses. The acquisitions had the following effect on the company's consolidated assets and liabilities:

	Fair values on acquisition $'000
Paragon business acquired 22 December 2008	
Paragon's acquired business assets and liabilities	
Plant and equipment	142
Inventories	649
Liabilities	(453)
Deferred tax asset	126
Identified intangible assets	163
Goodwill on acquisition *	1,441
Total purchase consideration	2,068
Total paid by shares issue	473
Net Cash outflow	1,595

Notes to the Financial Statements (continued)

24. Cash Flow Information (cont'd)

Synergy Plus business acquired 1 March 2008

Synergy Plus acquired business assets and liabilities	
Property plant and equipment	225
Deferred tax asset	86
Liabilities	(287)
Goodwill on acquisition *	6,632
Total purchase consideration including allocated costs	6,656
Total paid by shares issue	-
Amount paid by instalment	3,851
Net Cash outflow	2,805
Total net cash outflow for Paragon & Synergy Plus businesses acquired	4,400

* Goodwill is based on provisional values until final valuations of intangible assets and post agreement liabilities are finalised.

For Financial Year 2008 - Acquisition of entities

The Company acquired Rodport Pty Ltd trading as Coretech on 1 April 2008. The acquisition had the following effect on the Company's consolidated assets and liabilities:

Rodport Pty Ltd t/a Coretech assets and liabilities	**Fair values on acquisition** **$'000**
Plant and equipment	519
Inventories	437
Trade and other receivables	1,540
Tax assets	245
Cash	29
Financial assets	12
Trade and other payables	(2,305)
Other net liabilities	(526)
Net identifiable assets and liabilities	(49)
Goodwill on acquisition	1,394
Total purchase consideration	1,345
Cash balance acquired	30
Total paid by shares issue	700
Net Cash outflow	615

25. Dividends

No dividends have been declared or paid during the year ended 30 June 2009, nor in the prior period, and the Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2009.

26. Deed of cross guarantee

ComputerCORP Limited, CCP (Equity) Pty Ltd, Synergy Plus Operations Pty Ltd and Rodport Pty Ltd are parties to a Deed of Cross Guarantee under which each Company guarantees the debts of each others. By entering into the Deed, these wholly-owned subsidiaries have been relieved from the requirements to prepare a financial report and Directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities & Investments Commission. The parent and all of its subsidiaries represent a "Closed Group" for the purposes of the Class Order.

Notes to the Financial Statements (continued)

27. Share-based payments

(a) Commentary

The following share-based payment arrangements existed at 30 June 2009:

During the year 575,000 share options had been granted to the employees of ComputerCORP's subsidiaries under the ComputerCORP Employee Share Option Scheme. The assessed fair value at grant date of options granted during the year ended 30 June 2008 varies from $0.10 to $0.15 per option. The fair value at grant date is independently determined using the Binomial option valuation of share options 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. Details of the options granted are as follows:

Number of Options	Exercise Price $	Grant Date	Expiry Date
3,418,000	0.20	15 October 2007	14 October 2012
157,500	0.20	31 January 2008	25 January 2013
100,000	0.25	31 January 2008	25 January 2013
1,000,000	0.20	12 May 2008	12 May 2013
457,500	0.20	25 June 2008	24 June 2013
557,000	0.20	21 July 2008	20 July 2013
18,000	0.20	22 July 2008	21 July 2013
5,708,500			

The model inputs for options granted during the year included:

Risk free rate: 6.36% - 6.52%
Expected dividend rate: nil
Expected price volatility of the company's share: 55%

Included in the current financial year under employee benefits expense in the income statement is $40,560 (2008: $68,071) and relates, to equity-settled share-based payment transactions relates to the ESOP.

(b) Employee Share Options Scheme ("ESOP")

At the 2006 Annual General Meeting the Company adopted the ESOP to provide ongoing incentives to executives and employees of the Group. An amendment to the ESOP was approved at a general meeting of shareholders on 28 February 2007 in terms of which the number of options which can be issued was increased from 5% to 10% of the total issued share capital of the Company.

Options are granted at a price determined by the Directors in their absolute discretion but being no less than 80% of the market price quoted for buyers of the ordinary shares at the close of trading on the day immediately prior to the date of the offer of options as published by the Australian Securities Exchange.

Options vest over a period of four years from the date on which the option was granted at the rate of 25% per annum at each anniversary of the date of grant. Options are eligible to be exercised within five years of being granted, unless such option lapses through death or termination of employment of the option holder.

Notes to the Financial Statements (continued)

27. Share-based payments (cont'd)

(c) Options

All options granted are for ordinary shares in ComputerCORP Limited which confer a right of one ordinary share for every option held. The table below sets out details of such options:

	Consolidated Group and Parent Entity			
	2009		2008	
	Number of Options 000's	Weighted Average Exercise Price $	Number of Options 000's	Weighted Average Exercise Price $
Outstanding at the beginning of the year	19,171	0.21	12,389	0.21
Granted	575	0.20	6,901	0.20
Exercised	-	-	-	-
Expired	(11,038)	0.20	(119)	0.20
Outstanding at year-end	8,708	0.21	19,171	0.21
Exercisable at year-end	8,708	0.21	19,171	0.21

At the balance sheet date, no option had been exercised (2008: no option had been exercised). The options outstanding at 30 June 2009 had a weighted average exercise price of 0.21 cents and a weighted average remaining contractual life of 1.8 years. Exercise prices range from 0.20 cents to 0.30 in respect of options outstanding at 30 June 2009.

28. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties:

(a) Ultimate parent company

ComputerCORP Limited is the ultimate Australian parent Company.

(b) Controlled entities

Interests in controlled entities are set out in Note 10.

During the year, funds have been advanced between entities within the Consolidated Group for the purposes of working capital requirements only. The aggregate of amounts due from and to wholly owned controlled entities at balance date are disclosed in Note 7. All loans are interest free and have no fixed repayment date.

(c) Transactions with Director related parties

The Company and TCB Investment Holdings Pty Ltd, a company associated with Mr Martino, ("TCB") entered into an underwriting agreement in respect of the non-renounceable rights issue dated 2 September 2009 to raise up to $4,200,000 by issuing 21,092,433 new shares at $0.20 each and whereby TCB agreed to partially underwrite the rights issue up to the amount of $2,000,000. The underwriting agreement provided that TCB would be entitled to an underwriting fee of 6% of the amount underwritten and the issue of 7,000,000 unlisted options exercisable at $0.04 each within 3 years of the closing date of the rights issue. The rights issue is scheduled to close on 9 October 2009 (this date is indicative only and the Directors reserve the right to extend the closing date of the rights issue at their discretion).

Mr Dundo is a partner of Q Legal, which provides legal services to the Company. During the course of the financial year, Q Legal rendered professional fees of $153,856 (2008: $87,492) in respect to legal services provided.

(d) Key management personnel

Details of remuneration of Key Management Personnel are disclosed in the Directors' Report and in Note 31.

Notes to the Financial Statements (continued)

29. Financial risk management

The Consolidated Group's activities might expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Consolidated Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Consolidated Group. To date, the Consolidated Group has not used derivative financial instruments. The Consolidated Group uses sensitivity analysis to measure interest rate and aging analysis for credit risk. Risk management is carried out by the Chief Financial Officer (CFO) under policies approved by the Board of Directors. The CFO identifies, evaluates and mitigates financial risks in close cooperation with senior management.

The Consolidated Group's and Parent's financial assets are all within the loans and receivables category. The Consolidated Groups' and Parent's financial liabilities are all within the financial liabilities recorded at amortised cost category.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the entity's functional currency. The Consolidated Group does not operate internationally and the Consolidated Group's exposure to foreign currency risk is not material.

(ii) Price risk

The Consolidated Group can be exposed to small amounts of equity securities price risk, arising from investments held by the Consolidated Group and classified on the balance sheet as available-for-sale of $83,396 (2008: $94,936). The Consolidated Group is not exposed to commodity price risk.

(b) Credit risk

Credit risk is the risk that a counterparty will not meets its obligations under a financial instrument or contract, leading to a financial loss. Credit risk is co-operatively managed by the finance function and the operating units for customers, including outstanding receivables and committed transactions and the Consolidated Group level for credit risk arising from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only reputable institutions with sound financial positions are dealt with.

Individual risk exposures are set for customers in accordance with specified limits established by the Board of Directors based on independent credit reports, financial information obtained, credit references and the Consolidated Group's credit and trading history with the customer. Outstanding customer receivables are regularly monitored and any credit concerns highlighted to senior management.

At 30 June 2009, the Consolidated Group did not have any material credit risk exposures to any single receivable or group of receivables under financial instruments entered into by the Consolidated Group.

Specific information as to the Consolidated Group's credit risk exposures is as follows:

- Cash and cash equivalents are banked with reputable banks.
- There are a number of individually significant debtors. At 30 June 2009, the ten largest debtors comprised approximately 42% of total debtors (2008: 34%).
- Generally customers do not have external credit ratings. Management believes the credit quality of the Consolidated Group's customers is high based on the very low bad debt write-offs experienced historically.
- Financial guarantees have been extended to certain parties (refer to note 26 for details).

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Consolidated Group aims at maintaining flexibility in funding by keeping committed credit lines available. The Consolidated Group manages its liquidity risk by monitoring cash flows and ensuring that adequate cash and unutilised borrowing facilities are maintained.

Notes to the Financial Statements (continued)

29. Financial Risk Management (cont'd)

(c) Liquidity risk (cont'd)

The Consolidated Group and the parent entity had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Bank facility	-	1,000	-	-
Revolving credit facility	13,015	14,000	-	-
	13,015	15,000	-	-

The revolving credit facility with GE Commercial Corporation (Australia) Pty Ltd ("GE") has been extended to a maturity date of 9 December 2011 and the facility increased to $24,000,000.

The interest rate at year end was 7.46% per annum (2008: 10.5%). The bill facility is subject to annual review.

The following maturity analyses present the cash flows expected for financial assets and liabilities; the amounts do not have fixed timings and are based on the conditions existing at 30 June 2009. For financial liabilities, the contractual maturities match the expected maturities shown in the tables below.

Consolidated Group

As at 30 June 2009	<=6 Months $'000	6-12 Months $'000	1-5 Years $'000	Total $'000
Financial assets				
Cash and cash equivalents	2,123	-	-	2,123
Trade and other receivables	19,124	-	104	19,228
	21,247	-	104	21,351
Financial liabilities				
Trade and other payables	17,974	90	11,260	29,324
Convertible Notes	-	-	4,780	4,780
Net maturity	3,273	(90)	(15,936)	(12,763)

As at 30 June 2008	<=6 Months $'000	6-12 Months $'000	1-5 Years $'000	Total $'000
Financial assets				
Cash and cash equivalents	5,010	-	-	5,010
Trade and other receivables	25,969	-	115	26,084
	30,979	-	115	31,094
Financial liabilities				
Trade and other payables	28,000	147	10,169	38,316
Convertible Notes	-	-	4,738	4,738
Net maturity	2,979	(147)	(14,792)	(11,960)

Notes to the Financial Statements (continued)

29. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

Parent Entity

As at 30 June 2009	<=6 Months $'000	6-12 Months $'000	1-5 Years $'000	Total $'000
Financial assets				
Cash and cash equivalents	7	-	-	7
Trade and other receivables	-	-	-	-
	7	-	-	7
Financial liabilities				
Trade and other payables	-	-	538	538
Convertible Notes	-	-	4,780	4,780
Net maturity	7	-	(5,318)	(5,311)

As at 30 June 2008	<=6 Months $'000	6-12 Months $'000	1-5 Years $'000	Total $'000
Financial assets				
Cash and cash equivalents	7	-	-	7
Trade and other receivables	3	-	-	3
	10	-	-	10
Financial liabilities				
Trade and other payables	-	-	-	-
Convertible Notes	-	-	4,738	4,738
Net maturity	10	-	(4,738)	(4,728)

(d) Cash flow and fair value interest rate risk

The Consolidated Group's main interest rate risk arises from short and long-term borrowings and interest bearing assets. Borrowings at variable rates expose the Consolidated Group to cash flow interest rate risk and borrowings at fixed interest rates expose the Consolidated Group to fair value interest rate risk. The Consolidated Group's bank borrowings are in Australian Dollars at variable interest rates primarily tied to the Bank Bill Standard Yield.

The Consolidated Group's analyses its interest rate exposure on a dynamic basis. Various interest rate shifts are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these interest rate shifts, the Consolidated Group calculates the impact on the profit and loss. The interest rate shift scenario is run only for liabilities and assets that represent the major interest-bearing positions. Based on the simulations performed, the annual impact on profit or loss of a one percent shift in interest rates, with all other variables held constant, is estimated to be a maximum increase or decrease of $113,000 (2008: $103,000).

Notes to the Financial Statements (continued)

29. Financial risk management (cont'd)

(d) Cash flow and fair value interest rate risk (cont'd)

The following table summarises the sensitivity of the Consolidated Group's financial assets and financial liabilities to interest rate risk.

30 June 2009	Carrying Amount $'000	Interest rate risk +1% Profit $'000	+1% Equity $'000	-1% Profit $'000	-1% Equity $'000
Financial assets					
Cash and cash equivalents	2,123	-	-	-	-
Trade and other receivables	19,124	-	-	-	-
Financial liabilities					
Trade and other payables	17,974	-	-	-	-
Short-term borrowings	90	(1)	(1)	1	1
Long-term borrowings	11,260	(112)	(112)	112	112
Convertible Notes (fixed rate)	4,780	-	-	-	-
Total increase/(decrease)		(113)	(113)	113	113

30 June 2008	Carrying Amount $'000	Interest rate risk +1% Profit $'000	+1% Equity $'000	-1% Profit $'000	-1% Equity $'000
Financial assets					
Cash and cash equivalents	5,010	-	-	-	-
Trade and other receivables	25,969	-	-	-	-
Financial liabilities					
Trade and other payables	28,000	-	-	-	-
Short-term borrowings	147	(1)	(1)	1	1
Long-term borrowings	10,169	(102)	(102)	102	102
Convertible Notes (fixed rate)	4,738	-	-	-	-
Total increase/(decrease)		(103)	(103)	103	103

Notes to the Financial Statements (continued)

29. Financial risk management (cont'd)

(e) Financial Instrument composition and maturity

Consolidated Group 2009	Weighted average interest rate	Fixed interest rate mature 1 year or less $'000	Over 1 to 5 years $'000	Floating interest $'000	Non interest bearing $'000	Total $'000
Financial assets						
Cash and cash equivalents	-	-	-	2,123	-	2,123
Trade and other receivables	-	-	-	-	19,228	19,228
Financial assets	-	-	-	-	84	84
Total financial assets		-	-	2,123	19,312	21,435
Financial Liabilities						
Trade and other payables	-	-	-	-	17,974	17,974
Amounts due to vendor	-	6,500	-	-	-	6,500
Interest bearing liabilities	10.5%	90	-	11,260	-	11,350
Convertible notes	10.0%	-	4,780	-	-	4,780
Total financial Liabilities		6,590	4,780	11,260	17,974	40,604

Consolidated Group 2008	Weighted average interest rate	Fixed interest rate mature 1 year or less $'000	Over 1 to 5 years $'000	Floating interest $'000	Non interest bearing $'000	Total $'000
Financial assets						
Cash and cash equivalents	-	-	-	5,010	-	5,010
Trade and other receivables	-	-	-	-	25,969	25,969
Financial assets	-	-	-	-	94	94
Total financial assets		-	-	5,010	26,063	31,073
Financial Liabilities						
Trade and other payables	-	-	-	-	28,000	28,000
Interest bearing liabilities	10.5%	147	-	10,169	-	10,316
Convertible notes	10.0%	-	4,738	-	-	4,738
Total financial Liabilities		147	4,738	10,169	28,000	43,054

Notes to the Financial Statements (continued)

29. Financial risk management (cont'd)

(e) Financial instrument composition and maturity (cont'd)

Parent Entity 2009	Weighted average interest rate	Fixed interest rate mature 1 year or less $'000	Over 1 to 5 years $'000	Floating interest $'000	Non interest bearing $'000	Total $'000
Financial assets						
Cash and cash equivalents	-	-	-	7	-	7
Trade and other receivables	-	-	-	-	-	-
Total financial assets		-	-	7	-	7
Financial Liabilities						
Trade and other payables	-	-	-	-	-	-
Interest bearing liabilities	-	-	-	-	-	-
Convertible notes	10.0%	-	4,780	-	-	4,780
Total financial Liabilities		-	4,780	-	-	4,780

Parent Entity 2008	Weighted average interest rate	Fixed interest rate mature 1 year or less $'000	Over 1 to 5 years $'000	Floating interest $'000	Non interest bearing $'000	Total $'000
Financial assets						
Cash and cash equivalents	-	-	-	7	-	7
Trade and other receivables	-	-	-	-	3	3
Total financial assets		-	-	7	3	10
Financial Liabilities						
Trade and other payables	-	-	-	-	-	-
Interest bearing liabilities	-	-	-	-	-	-
Convertible notes	10.0%	-	4,738	-	-	4,738
Total financial Liabilities		-	4,738	-	-	4,738

Notes to the Financial Statements (continued)

29. Financial risk management (cont'd)

(f) Fair Values

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

	2009		2008	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	$'000	$'000	$'000	$'000
Financial Assets				
Cash and cash equivalents	2,123	2,123	5,010	5,010
Loans and receivables	19,228	19,228	25,969	25,969
Financial assets	84	84	94	94
	21,435	21,435	31,073	31,073
Financial Liabilities				
Interest bearing liabilities	11,260	11,260	10,169	10,169
Trade and other payables	17,974	17,974	28,000	28,000
Amounts due to vendor	6,500	6,500	-	-
Lease liabilities	90	90	147	147
Convertible Notes	4,780	4,780	4,738	4,738
	40,604	40,604	43,054	43,054

The carrying amounts of financial assets and financial liabilities are materially in line with their fair values.

30. Financing Arrangements

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Revolving credit facility	24,000	24,000	-	-
Bank facility	-	1,000	-	-
	24,000	25,000	-	-

Assets pledged as security

All assets of the Consolidated Group are subject to fixed and floating charges in favour of, (in order of priority) GE Commercial Corporation (Australia) Pty Ltd, ("GE"), Hewlett-Packard Australia Pty Ltd ("HP") and IBM Global Financing Australia Limited ("IBM"). The revolving credit facility with GE Commercial Corporation (Australia) Pty Ltd ("GE"), has been extended to a maturity date of 9 December 2011 and the facility increased to $24,000,000.

Notes to the Financial Statements (continued)

31. Key management personnel compensation

The following persons were Directors of the Company during the 2009 financial year, except as noted:

Name	Position
D V Martino	Non-Executive Chairman
K A Dundo	Non-Executive
B R Harvey *	Non-Executive
V Votsaris	Non-Executive
RS Rindel *	Chief Executive Officer

** Resigned on 30 June 2009*

Other key management personnel.

The following personnel also had the authority and responsibility for planning, directing and controlling the activities of the Consolidated Group, directly or indirectly, during the financial year.

Executive Director	Position
R Rindel[1]	Chief Executive Officer

Key management personnel	
P Cappendell	Regional Sales Director
A Heywood	Regional Sales Director
G Batchelor [2]	National Solutions Director
R Pater	National Services Sales Director
J Tasban [3]	Chief Financial Officer, Company Secretary
K Browne [4]	Company Secretary

1. *Resigned effective 30 June 2009*
2. *Resigned in October 2008*
3. *Appointed on 13 December 2008*
4. *Resigned effective 30 January 2009*

Key management personnel compensation

	Consolidated Group		Parent Entity	
	2009	**2008**	**2008**	**2007**
Short term employee benefits	1,158,994	1,016,320	-	-
Share based payments *	23,325	42,075	-	-
Post-employment benefits	133,561	119,941	-	-
Other benefits	6,757	11,583	-	-
	1,322,637	**1,189,919**	**-**	**-**

* During 2009, 575,000 ESOP options were issued to key management personnel. The options are exercisable at $0.20 starting from July 2010.

Share based payments

For share based payments relating to key management personnel, refer to Note 27.

The Consolidated Group has taken advantage of the relief provided by regulation 2M.6.04 of the Corporations Regulations 2001 and has transferred the detailed remuneration disclosures to the Directors report.

Notes to the Financial Statements (continued)

32. Events subsequent to balance sheet date

On 22 June 2009 the Group signed a term sheet with S Central Pty Ltd ("S Central") to acquire S Central. The Company then commenced a capital raising of $10.5 million to fund the purchase consideration. The proposed capital raising included raising $6.2 million was via a placement to the S Central shareholders with the balance of $4.2 million being raised via a non-renounceable entitlements issue ("rights issue") to all Company shareholders. The rights issue was initially scheduled to close on 31 July 2009, but the Company has subsequently extended the closing date to 11 September 2009.

On 13 August 2009, the Company announced that delays had been encountered in finalizing the acquisition of S Central and appointed Mr. Peter Cappendell as the acting CEO in the interim. Subsequently on 2 September 2009, the Company announced that it will not proceed with the proposed acquisition of S Central. As a result the terms of the rights issue have been amended and in particular the underwriting of the rights issue by TCB Investment Holdings Pty Ltd (a company controlled by Mr. Martino, the Chairman of ComputerCORP), was revised down to $2 million in line with the Company's capital requirements, notwithstanding that the full 1 for 1 rights issue amounting to $4.3 million will continue to be offered to shareholders. The rights issue is scheduled to close on 9 October 2009 (this date is indicative only and the Directors reserve the right to extend the closing date of the rights issue at their discretion).

In addition certain performance milestones have been achieved under the share sale agreement with the shareholders of Rodport Pty Ltd whereby the Company acquired the Coretech business. As a result of the Coretech business reaching a profit milestone of $850,000 for FY09, the Company intends to issue 2,468,502 shares to the vendors of the Coretech business in accordance with the terms of the share sale agreement.

33. New Accounting Standards issued but not effective

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. Future impact of Australian Accounting Standards applicable to the consolidated group but not yet operative are:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:
    - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
    - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
    - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
    - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
    - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
    - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
    - where there is, in substance, no change to Group interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.
    - The Group will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.

Notes to the Financial Statements (continued)

34. New Accounting Standards issued but not effective (cont'd)

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Consolidated Group.

The Consolidated Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Consolidated Group's financial statements.

34. Company details

The registered office and principal place of business of the parent entity is:
Level 1, 1 Puccini Court
Stirling WA 6021
Australia

Directors' Declaration

In the Directors' opinion:

1. The financial statements and notes, as set out on pages 19 to 58 are in accordance with the Corporations Act 2001 and:

    (a) comply with Accounting Standards and the Corporations Regulations 2001 and any other mandatory professional reporting requirements; and

    (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and the consolidated entity.

2. The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act 2001.

3. The audited remuneration disclosures set out on pages 12 to 13 of the directors' report (as part of the audited Remuneration Report) comply with section 300A of the *Corporations Act* 2001.

4, In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Company and its wholly owned subsidiaries, Synergy Plus Operations Pty Ltd, ComputerCORP Finance Pty Ltd, Computer Wholesale Australia Pty Ltd, Rodport Pty Ltd and CCP (Equity) Pty Ltd, have entered into a Deed of Cross Guarantee under which the Company and its subsidiaries guarantee the debts of each other.

At the date of this declaration, there are reasonable grounds to believe that the companies which are parties to this Deed of Cross Guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the Deed.

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

Signed for and on behalf of the Directors.

D Martino
Chairman
Stirling, Western Australia, 30 September 2009

Corporate Governance

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of ComputerCORP. The Board supports a system of corporate governance to ensure that the management of ComputerCORP is conducted to maximise shareholder wealth in a proper and ethical manner.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the *ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 2nd Edition") where considered appropriate for company of ComputerCORP's size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies. Further details in respect to the Company's corporate governance practises are summarised below and copies of Company's corporate governance policies are available of the Company's web site at www.computercorp.com.au.

Board of Directors

The Board is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of shareholders. Day to day management of the Company's affairs and the implementation of corporate strategies and policy initiatives are formally delegated by the Board to the Chief Executive Officer and senior executives, as set out in the Company's Board charter.

The Chief Executive Officer is appointed by the Board and is subject to annual performance reviews by the Non-Executive Directors. The review evaluates performance against pre-set financial and non-financial goals. The Chief Executive Officer recommends policy and strategic direction for board approval, is responsible for managing day to day operations and is the Board's principle link to senior management.

Board composition

In accordance with the Board charter, the composition of the Board is determined in accordance with the following principles and guidelines:

- the Board shall comprise at least 3 directors, increasing where additional expertise is considered desirable in certain areas;
- the chairman should be non executive;
- the Board should comprise a majority of non-executive directors and
- directors should bring characteristics which allow a mix of qualifications, skills and experience.

Board members should possess complementary business disciplines and experience aligned with the Company's objectives, with a number of directors being independent and where appropriate, major shareholders and executives are represented on the Board. Consequently, at various times there may not be a majority of directors classified as being independent, according to ASX guidelines. However, where any director has a material personal interest in a matter, the director will not be permitted to be present during discussions or to vote on the matter.

The Board has determined that its optimum composition conforms with the constitution of the Company (being not less than three nor more than nine in number), have a majority of Directors as non-executive and reflect the Company's geographic operations and strategic objectives. Details of the members of the board, their experience, expertise, qualifications and term of office are set out in the Director's Report under the heading "Information on Directors".

The terms and conditions of the appointment and retirement of Directors are set out in a letter of appointment which covers remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice.

Corporate Governance (continued)

Director independence

Directors are expected to bring independent views and judgement to the Board's deliberations. In response to the ASX Principles and Recommendations, the Board Charter requires a minimum of 3 directors with a broad range of business expertise and at least 2 non-executive directors including a non-executive chairman.

In considering whether a Director is independent, the Board has had regard to the independent criteria set out in ASX Principle 2 and other facts, information and circumstances that the Board considers material.
The financial materiality used in the assessment of independence are set at over 5% of annual turnover of the Company. In addition, a transaction of any amount or a relationship is deemed material if the transaction is considered to potenitally impact shareholder understanding of the Director's performance. In addition to the above criteria, the board determines whether a Director is independent in character and judgment.

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, subject to the prior written approval of the Chairman, which shall not be unreasonably withheld. If appropriate, any advice received will be made available to all Directors. This right was neither sought nor exercised during the year.

Having regard to the share ownership structure of the Company, it is considered appropriate by the Board that a major shareholder may be represented on the Board and if nominated, hold the position of Chairman. Such appointment would not be deemed to be independent under ASX guidelines. In addition, it is considered appropriate by the Board to effectively utilise the Chairman's skills and expertise to provide crucial peer review of the corporate and commercial aspects of the Company's operations.

The Chairman is expected to bring independent thought and judgement to his role in all circumstances. Where matters arise in which there is a perceived conflict of interest, the Chairman must declare his interest and abstain from any consideration or voting on the relevant matter.

Performance assessment

The Board has adopted a formal process for an annual self assessment of its collective performance and the performance of individual directors. The Board is required to meet at least annually with the purpose of reviewing the role of the Board, assessing its performance over the previous 12 months and examining ways in which the Board can better perform its duties. The issues examined in the review include the Board's interaction with management, the type of information provided to the Board by management and management performance in helping the Board meet its objectives.

Committees

The Board has established a separate audit & risk management committee and a remuneration & nomination committee to advise and support the Board in carrying out its duties. Matters determined by the audit & risk management committee and the remuneration & nomination committee are submitted to the full Board as recommendations for Board consideration.

Audit & Risk Management Committee

The current members of the audit and risk management committee are Mr Dundo (Chairman) and Mr Votsaris with the Chief Financial Officer participating by invitation. Due the current structure of the Board, membership of the audit committee does not meet all of the recommended guidelines for composition of an audit committee. The audit committee held two meetings during the financial year. Details of the qualifications of committee members and attendance at audit committee meetings are set out in the Directors' Report.

The audit & risk management committee operates in accordance with a written charter. The audit & risk management committee oversees risk management, accounting and reporting practices, and is also responsible for:

- co-ordination and appraisal of the quality of the audits conducted by the Company's external auditor;
- determination of the independence and effectiveness of the external auditor;
- assessment of whether non-audit services have the potential to impair the independence of the external auditor;
- reviewing the adequacy of the reporting and accounting controls of the Company;
- review the effectiveness of the compliance function in general;
- establishment, implementation and review of the Company's risk management policies;
- update the Company's risk profile;
- ensuring that the risk management policies are aligned with the Company's strategic plan, encompassing the Company's vision and strategy which are designed to meet stakeholder's needs and manage business risks.

Corporate Governance (continued)

Remuneration and Nomination Committee

The current members of the remuneration & nomination committee are Mr Martino (Chairman) and Mr Dundo with the Chief Executive Officer, Chief Financial Officer and other Board members invited to participate from time to time.

The remuneration & nomination management committee operates in accordance with a written charter. The remuneration & nomination management committee reviews and provides recommendations to the Board on:

- remuneration packages of key executives and directors;
- incentive policies, incentive plans and other employee benefit programs;
- recruitment, retention and termination policies;
- procedures for senior management;
- superannuation arrangements;
- succession plans of key executives (other than executive directors) and ensuring the performance of key executives is reviewed at least annually;
- those aspects of the Company's remuneration policies and packages, including equity-based incentives, which would be subject to shareholder approval;
- nominations for potential director candidates.

External Auditor

The performance of the external auditor is reviewed annually. RSM Bird Cameron Partners were appointed as the external auditor in 2006. It is both the Company's and the auditor's policy to rotate audit engagement partners at least every five years.

The external auditor provides an annual declaration of their independence to the Board. The external auditor is requested to attend annual general meetings and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Code of Conduct

A formal code of conduct for the Company applies to all directors and employees. The code aims to encourage the appropriate standards of conduct and behaviour of the directors, employees and contractors of the Company. All personnel are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

The Directors, managers and employees are expected to act with the utmost integrity and objectivity, observe the highest standards of behaviour and business ethics and strive at all times to enhance the good reputation and performance of the Group by acting in the best interests of the Group, being responsible and accountable for their actions and observing the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

The Group has developed an extensive code of conduct which is encapsulated in the corporate governance policies and the Company's terms and conditions of employment. Conduct guidelines apply to all employees which address the values and vision of the Company, business ethics and protocol, policies and procedures, employee entitlements, responsibilities and expectations of both the Group and employees and compliance with relevant legal, shareholder and stakeholder obligations.

All employees have position descriptions that reinforce their duties, rights and responsibilities and all are required to participate in performance reviews to ensure the Group expectation is aligned with employee goals and key performance indicators. Actual performance is reviewed annually and, if necessary, more frequently. The Company encourages regular feedback, review and continuous improvement so as to maintain and enhance the desired corporate culture and standard of ethical behaviour.

Corporate Governance (continued)

Policy for Trading In Company Securities

Trading in the Company's securities by directors and employees is not permitted when they are in possession of unpublished price sensitive information. Any transactions undertaken must be notified to the Chairman in advance. The Company prohibits the hedging of unvested options and requires that any hedging arrangements for vested options must be disclosed to the Company.

Directors, officers and employees must not buy, sell or subscribe for securities if they are in possession of 'inside information' (information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities). The *Corporations Act* 2001 provides that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

Subject to the insider trading restrictions above, it is the Board's policy that Directors, officers and employees will not trade in the securities in the two weeks prior to, and two business days after, the release of quarterly reports, in the four weeks prior to, and two business days after, the release of half year financial results, full year financial results and any other period when in possession of unpublished price-sensitive information and/or any time required pursuant to the ASX Listing Rules.

The Board's policy also reinforces the Directors' and Company's statutory obligations to notify the ASX of any dealing in the securities which results in a change in the relevant interests of a Director in the securities. As contemplated in the ASX listing rules, each Director provides notice of such dealings to the Company Secretary within three business days of any such dealing to enable the Consolidated Group to comply with its corresponding obligation to notify the ASX.

Subject to the insider trading restrictions above, Directors, officers and employees may trade outside the specified periods after discussion with the Chairman.

Continuous Disclosure and Shareholder Communication

The Company has a formal written policy for the continuous disclosure of any price sensitive information concerning the Company. The Board has also adopted a formal written policy covering arrangements to promote communications with shareholders and to encourage effective participation at general meetings.

The Chairman and the Company Secretary have been nominated as the Company's primary disclosure officers. All information released to the ASX is posted on the Company's web-site immediately after it is disclosed to the ASX. When analysts are briefed on aspects on the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's web-site.

ComputerCORP is committed to providing shareholders and stakeholders with extensive, transparent, accessible and timely communications on the Company's activities, strategy and performance. In addition, the Company makes all market announcements, media briefings, details of shareholders meetings, press releases and financial reports available on the Company's website www.computercorp.com.au. Contact details are provided in the "Corporate Directory" section of this annual report.

Risk Management Policy

The Board takes a proactive approach to risk management and have a formal risk management policy to provide further guidance to the audit & risk management committee. The identification and proper management of risk within the Company is a priority for the Board and management.

The Board has established an audit & risk management committee which is responsible for oversight of the processes whereby risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the committee. This oversight encompasses operational, financial reporting and compliance risks. Further details of the audit & risk management committee are set out above.

Corporate Governance (continued)

Corporate reporting

The Chief Executive Officer and Chief Financial Officer provide a certification to the Board on the integrity of the Company's external financial reports. The Chief Executive Officer and Chief Financial Officer also provide assurance to the Board 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 effectively in all material respects in relation to financial reporting risks. In addition reporting of the management of the Company's material business risks forms part of routine management reporting to the Board and review by the Audit & Risk Management Committee.

ASX Best Practice Recommendations

The table below identifies the ASX Best Practice Recommendations and whether or not the Company has complied with the recommendations during the reporting period:

	Recommendation	Complied	Note
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions	✓	
1.2	Disclose the process for evaluating the performance of senior executives	✓	
1.3	Provide the information indicated in the Guide to reporting on Principle 1	✓	
2.1	A majority of the board should be independent directors	✗	Note 1
2.2	The chair should be an independent director	✗	Note 2
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	✓	
2.4	The board should establish a nomination committee	✗	Note 3
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors	✓	
2.6	Provide information indicated in the Guide to reporting on Principle 2	✓	
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 heir legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices	✓	
3.2	Establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy	✓	
3.3	Provide information indicated in the Guide to reporting on Principle 3	✓	
4.1	Establish an audit committee	✓	
4.2	Structure the audit committee so that it: • consist only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members	✗	Note 4
4.3	The audit committee to have a formal charter	✓	
4.4	Provide the information indicated in the Guide to reporting on Principle 4	✓	
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies	✓	
5.2	Provide the information indicated in the Guide to reporting on Principle 5	✓	
6.1	Design communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	✓	
6.2	Provide the information indicated in the Guide to reporting on Principle 6	✓	
7.1	Establish policies for oversight and management of material business risks and disclose a summary of those policies	✓	
7.2	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. Disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	✓	

Corporate Governance (continued)

Recommendation		Complied	Note
7.3	Disclose whether assurance has been received from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✓	
7.4	Provide information indicated in the Guide to reporting on Principle 7	✓	
8.1	Establish a remuneration committee	✕	Note 3
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	✓	
8.3	Provide the information indicated in the Guide to reporting on Principle 8	✓	

Note 1: During the reporting period the majority of directors did not satisfy the test of independence set out in Box 2.1 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations ("Independence Test").

- Messrs Martino and Votsaris do not satisfy the Independence Test as they are indirectly substantial shareholders of the Company as defined in section 9 of the *Corporations Act* 2001.

- Mr Dundo is a principal of Q Legal and Q Legal is engaged by the Company to provided legal services from time to time. The Board (in the absence of Mr Dundo) consider he is capable of and demonstrates that he consistently makes decisions and takes actions which are designed to be in the best interests of the Company and therefore the Board considers Mr Dundo to possess the charateristics required of a person who would be eligible to take the role of an independent director. The Board notes that the fees payable to Q Legal are not high enough to be considered material to Mr Dundo's practice or to Q Legal and are also not material to the Company.

The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's recent history, and directors' experience and knowledge of the Company's assets. The Company considers that the non-independent Directors possess the skills and experience suitable for building the Company. The Board intends to reconsider its composition as the Company's operations evolve, and may appoint additional independent directors as it deems appropriate.

Note 2: As noted above, Mr Martino does not satisfy the Independence Test as he is indirectly a substantial shareholder of the Company.

Note 3: The remuneration & nomination committee does not have at least 2 members and as noted above the committee chair does not satisfy the Independence Test. Given the size of the Board and the Company, the Board considers that this function is efficiently achieved by a committee of 2 members reporting to the full Board.

Note 4: The audit & risk management committee does not have at least 2 members and as noted above the majority of the committee do not satisfy the Independence Test. Given the size of the Board and the Company, the Board considers that this function is efficiently achieved by a committee of 2 members reporting to the full Board.