EZENET LIMITED

A.B.N. 84 083 646 477

ANNUAL REPORT

30 JUNE 2009

EZENET LIMITED
CORPORATE DIRECTORY
A.B.N. 84 083 646 477

This annual report covers both Ezenet Limited as an individual entity and the consolidated entity comprising Ezenet Limited and its subsidiaries. The consolidated entity's functional and presentation currency is AUD ($).

A description of the consolidated entity's operations and of its principal activities is included in the review of operations and activities in the directors' report.

Directors

W G Martinick (Executive Chairman)

G R O'Dea (Managing Director)

D H Ward (Non-Executive Director)

Joint Company Secretaries

S M O Watson

B D Dickson (appointed 1 July 2009)

Registered Office and Principal Place of Business

Level 1
30 Richardson Street
West Perth WA 6005
Telephone: 08 9481 2555
Fax: 08 9485 1290

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Auditors

Hewitt, Turner & Gelevitis
Suite 4, 1st Floor
63 Shepperton Road
Victoria Park WA 6100

Bank

National Australia Bank
Level 1 Gateway Building
177-179 Davy Streets
Booragoon WA 6154

Contents

EZENET LIMITED
DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2009.

DIRECTORS

The names and details of the directors of the company in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

W G Martinick

B.Sc, Ph.D.

(Executive Chairman)

Dr Wolf Martinick was appointed a director and chairman on 13 January 2003. He is an environmental scientist and has been involved with mineral exploration and mining projects around the world, especially Australasia, Africa, China, India and parts of the former Soviet Union. He is a Fellow of the Australian Institute of Mining and Metallurgy.

Dr Martinick is a founding director and the chairman of Weatherly International plc, a company listed on the Alternative Investment Market of the London Stock Exchange in which the Ezenet Group has 18,281,200 shares. He was a founding director of Basin Minerals Limited, another ASX listed mineral exploration company that discovered a world-class mineral project in Victoria, Australia, that was acquired by Iluka Resources Limited in 2003.

He has been associated with the exploration and mining industry for over 35 years. He has particular experience in environmental, water, land access and indigenous people issues and has conducted due diligence on mining projects around the world on behalf of international financial institutions and resource companies for a variety of transactions including listings on international stock exchanges, mergers and debt financing. He has in recent years been active in identifying and investigating mineral projects and prospects in various parts of the world, especially Africa.

Dr Martinick is also a director of the following ASX listed companies: Sun Resources Limited (appointed 19 February 1996); Uran Limited (appointed 1 November 2006); Precious Metals Australia Limited (appointed 22 December 2007); Azure Minerals Ltd (appointed 1 September 2007) and Carbine Resources Limited (appointed 22 December 2006).

G R O'Dea

(Managing Director)

Mr Ross O'Dea was appointed a director on 7 March 2002 and Managing Director on 1 September 2007. He is a former Business Development Manager for The West Australian Newspaper with 35 years media experience in radio, television, press and outdoor advertising. Ross was contracted to the TAB Western Australia as Manager, Media Services, which concluded on 11 June 2004. Mr O'Dea was appointed managing director on 1 September 2007 and is responsible for the overall performance of the Ezenet Group.

Mr O'Dea holds no other directorships in listed companies.

D H Ward

Assoc. Admin., Assoc. Acctg., FTIA, ACA.

(Non-Executive Director)

Mr David Ward was appointed a director on 22 July 2005. After service in the Australian Army, Mr Ward graduated from the WA Institute of Technology in Accounting and Business Administration, and trained as an Auditor and Tax Agent. Having established the "Tax Hut" tax and accounting centres in 1995, he practices in West Perth and participates in organisations providing commercial and social dispute resolution.

Mr Ward has no other directorships in listed companies.

EZENET LIMITED
DIRECTORS' REPORT (Continued)

JOINT COMPANY SECRETARIES

S Watson
LL.B., B.Ec.

Mr Simon Watson was appointed the Company Secretary of Ezenet Limited in April 2003. Mr Watson holds degrees in Law and Economics. He is a Notary Public and practices as a specialist Solicitor in the field of international and national Commercial Law. His legal expertise supplements his role as Secretary and provides an important contribution to the Company.

B D Dickson (Appoint 1 July 2009)
BBus, CPA

Mr Brett Dickson is a Certified Practising Accountant with a Bachelors degree in Economics and Finance from Curtin University and has over 20 years experience in the financial management of companies, principally companies in early stage development of its resource or product, and offers broad financial management skills. He has been Chief Financial Officer for a number of successful resource companies listed on the ASX. In addition he has had close involvement with the financing and development of a number of greenfield resources projects.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report the interests of the directors in the securities of the company were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
W G Martinick *	16,281,451	-
G R O'Dea	898,425	-
D H Ward **	2,066,424	-

*Shares are held by W G Martinick and Martinick Investments Pty Ltd ATF The Martinick Superannuation Fund.
**Shares are held indirectly by Blackwood Business Services Pty Ltd ATF Ward Superannuation Fund.

DIVIDENDS PAID OR PROPOSED

The company has not paid any dividends since the commencement of the financial year, and no dividends are proposed to be paid.

CORPORATE INFORMATION

The financial report of Ezenet Limited for the year ended 30 June 2009 was authorised for issued in accordance with a resolution of the directors on 25 September 2009. The consolidated entity's functional and presentation currency is AUD ($).

Ezenet Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

Principal Activities

The principal activity during the year of entities within the consolidated entity was the provision of digital movie services to the hospitality and mining industries until its sale on 30 April 2009 together with investment in the mining and resource sector.

The consolidated entity's business is conducted from operations located in Australia.

EZENET LIMITED
DIRECTORS' REPORT (Continued)

Employees

The consolidated entity employed nil people at 30 June 2009 (2008: 10 people).

OPERATING AND FINANCIAL REVIEW

Group Overview

Ezenet Limited is a company limited by shares and is incorporated and domiciled in Australia. It has prepared a consolidated financial report incorporating Ezestream Pty Ltd, a wholly owned entity incorporated on 12 May 2003 and sold on 30 April 2009, and E-Resources Pty Ltd incorporated on 3 April 2007. Ezenet Limited made progress during the year in expanding its investments in resource-base companies through E-Resources Pty Ltd. After a thorough review of Ezestream Pty Ltd's business of the provision of digital movie services to the hospitality and mining industries it was decided the best way forward for the group was to sell Ezestream Pty Ltd as a going concern and concentrate on and expand its investments in the resources sector.

At the date of this report the Group is reviewing a number of opportunities for both direct and indirect investment in the resources sector.

Operating Results

The consolidated entity's revenue was $3,649,644 and the loss was $2,720,280 for the financial year.

	2009	**2008**
	$	$
Operating revenue	3,649,644	4,053,034
Operating profit/(loss)	(2,720,280)	131,510

Year in Review

Ezenet Limited made progress during the year in its wholly-owned subsidiary E-Resources Pty Ltd and sold its interest in Ezestream Pty Ltd.

Consolidated Entity

With the sale of Ezestream Pty Ltd effective 30 April 2009 it is difficult to compare this years results with the results from the last financial year. However part of the effect of the sale of Ezestream Pty Ltd has been to increase cash on hand of the Group at 30 June from $497,926 to $1,285,948 and allow the repayment of loans so that liabilities at 30 June have decreased from $3,466,268 to $158,620. The Consolidated Entity recorded a profit on disposal of Ezestream of $280,035.

Investments

During the year the Group sold its holding in Carbine Resources Ltd and acquired a holding in Allied Gold Limited for $39,000.

In addition to these investments, the Group holds 18.2 million shares in Weatherly International plc, an AIM-listed mineral company with copper interests in Zambia and Namibia with a fair value at 30 June 2009 of $573,984 and 60,000 shares in UK-based Island Gas Resources plc an AIM-listed company with interests in renewable energy with a fair value at 30 June 2009 of $89,268.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The most significant change in the state of affairs of the group was the sale on Ezestream Pty Ltd effective 30 April 2009.

SIGNIFICANT CHANGES AFTER THE BALANCE DATE

No matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the company has paid premiums in respect of a contract insuring all the directors of Ezenet Limited against legal costs incurred in defending proceedings for conduct involving:

(a) a wilful breach of duty; or
(b) a contravention of sections 182 or 183 of the *Corporations Act 2001* , as permitted by section 199B of the *Corporations Act 2001* .

The total amount of insurance contract premiums paid was $14,800 (2008: $13,000).

EZENET LIMITED
DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Audited)

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the chief executive, senior executives, general managers and secretaries of the Parent and the Group.

Details of key management personnel

(i) Directors

W G Martinick	Chairman (Executive)
G R O'Dea	Managing Director
D H Ward	Director (Non-Executive)

(ii) Executives

B A Wiley	General Manager – Ezestream Pty Ltd (to 30 April 2009)
S M O Watson	Joint Company Secretary
B D Dickson	Joint Company Secretary (appointed 1 July 2009)

Remuneration philosophy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and other non-cash payments. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

To assist in achieving these objectives, the Board links the nature and amount of executive directors' and officers' emoluments on an annual basis based on individual performance and market conditions.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Compensation of Directors and Executive Officer

(i) Compensation Policy

The Board of Directors of Ezenet Limited is responsible for determining and reviewing compensation arrangements for the directors and the managing director.

(ii) Non-Executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

EZENET LIMITED
DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Audited) (Continued)

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation on non-executive directors shall be determined from time to time by a general meeting.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executives directors have long been encouraged by the Board to hold shares in the company (purchased by the director on market). It is considered good governance for directors to have a stake in the company on whose board they sit.

At the Board meeting on 2 August 2007 it was decided to allow for directors fees of $25,000 per annum to be paid from 1 December 2007 to Non-Executive Directors and $30,000 to the Chairman.

(iii) Executive Compensation

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- align the interests of executives with those of shareholders; and

- ensure total compensation is competitive by market standards.

Structure

The Board periodically assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and other non-cash benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

(iv) Fixed Compensation

Objective

Fixed compensation is reviewed annually by the Board. The process consists of a review of individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and other non-cash benefits.

(v) Variable Compensation

Objective

The objective is to link the achievement of the company's targets with the compensation received by the executives charged with meeting those targets.

Currently, the company does not restrict executives from entering into arrangements to protect the value of unvested LTI awards. However, under the Securities Dealing Policy, members of the Board are required to advise the Company Secretary of any shareholdings including any hedging arrangements.

EZENET LIMITED
DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Audited) (Continued)

Share-based compensation

Options or shares may be issued to directors and executives as part of their remuneration. The options or shares are not issued based on performance criteria, but are issued to the directors and executive of Ezenet Limited to increase goal congruence between executives, directors and shareholders.

There were no options granted to or vesting with key management personnel during the current and previous year.

Structure

Actual payments granted to each Key Management Personnel are determined by the Board who meet periodically to assess the achievements of the company's targets. There are currently no targets established.

Employment contracts

There are no employment contracts in place.

Compensation of Key Management Personnel (Consolidated and Parent)

Compensation of each director and the executive officer of the parent and consolidated entity are as follows:

	Short term		Post employment	Share based payments	Total	Total performance related
30 June 2009	**Salaries and fees**	**Non Monetary Benefit[1]**	**Super-annuation**	**Shares**		
	$		$	$	$	
Directors						
W G Martinick	-	3,700[1]	30,000	-	33,700	-
G R O'Dea	22,936	3,700[1]	2,064	-	28,700	-
D H Ward	-	3,700[1]	25,000	-	28,700	-
Executive Officer						
B A Wiley[4]	165,313	17,291	12,056	-	194,660	-
S M O Watson[3]	-	3,700[1]	25,000	-	28,700	-
B D Dickson	-	-	-	-	-	-
Total	188,249	32,091	94,120	-	314,460	-

EZENET LIMITED
DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Audited) (Continued)

	Short term		Post employment	Share based payments	Total	Total performance related
30 June 2008	**Salaries and fees**	**Non Monetary Benefit**	**Super-annuation**	**Shares**		
	$		$	$	$	
Directors						
W G Martinick	17,500	2,600[1]	1,575	-	21,675	-
G R O'Dea	14,583	2,600[1]	1,313	-	18,496	-
D H Ward	14,583	2,600[1]	1,313	-	18,496	-
R A Burt	53,093[2]	2,600[1]	4,778[3]	-	60,471	-
Executive Officer						
S M O Watson	64,602[3]	2,600[1]	1,313	-	68,515	-
B A Wiley[4]	129,440	23,055	11,128	-	163,623	-
Total	293,801	36,055	21,420	-	351,276	-

1. The Non Monetary Benefit relates to the Directors Indemnity Insurance
2. The salary and superannuation are paid to Mr Burt as per his employment contract.
3. Professional services relating to legal and company secretarial fees, of $58,000 (2008: $50,019) were provided by Mr Simon M O Watson.
4. The salary and superannuation are paid to Mr Wiley as per his employment contract. The Non Monetary Benefit relates to the use of a motor vehicle.

Compensation Options: Granted and Vested during the year.

There were no options granted to or held by directors or named executives during the year (2008: Nil).

Shareholdings of Key Management Personnel

2009	**Balance 1 July 08 Number**	**Granted as Remuneration Number**	**On Exercise of Options Number**	**Net Change Other Number**	**Balance 30 June 09 Number**
Specified Directors					
W G Martinick *	14,086,140	-	-	2,111,191	16,197,331
G R O'Dea	898,425	-	-	-	898,425
D H Ward **	2,066,424	-	-	-	2,066,424
Specified Executives					
S M O Watson***	4,764,846	-	-	360,000	5,124,846
B A Wiley	-	-	-	-	-
Total	21,815,835	-	-	2,471,191	24,287,026

*Shares are held by W G Martinick and Martinick Investments Pty Ltd ATF The Martinick Superannuation Fund.
**Shares are held by Blackwood Business Services Pty Ltd.
***Shares are held by SMO Watson and Kings Park Nominees Pty Ltd.

EZENET LIMITED
DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Audited) (Continued)

2008	Balance 1 July 07 Number	Granted as Remuneration Number	On Exercise of Options Number	Net Change Other Number	Balance 30 June 08 Number
Specified Directors					
W G Martinick*	13,986,140	-	-	100,000	14,086,140
G R O'Dea	898,425	-	-	-	898,425
D H Ward**	1,993,091	-	-	73,333	2,066,424
R A Burt	700,000	-	-	-	700,000
Specified Executives					
S M O Watson***	4,764,846	-	-	-	4,764,846
B A Wiley	-	-	-	-	-
Total	22,342,502	-	-	173,333	22,515,835

*Shares are held by W G Martinick and Martinick Investments Pty Ltd ATF The Martinick Superannuation Fund.
**Shares are held by Blackwood Business Services Pty Ltd.
***Shares are held by SMO Watson and Kings Park Nominees Pty Ltd.

INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS WITH THE COMPANY

During or since the end of the financial year, no director has had any interest in a contract or proposed contract with the company being an interest the nature of which has been declared by the director in accordance with Section 300(11)(d) of the Corporations Act 2001.

DIRECTORS' MEETINGS

During the year 7 directors' meetings were held. The number of meetings attended by each director was as follows:

	No. of meetings held while in office	Meetings attended
W G Martinick	7	7
G R O'Dea	7	7
D H Ward	7	7

As at the date of this report, the company did not have audit, remuneration or nomination committees, as the directors believe the size of the company does not warrant its existence.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the company support and have adhered to the principles of corporate governance. The company's corporate governance statement is contained in the additional Australian Stock Exchange information section of this annual report.

LIKELY DEVELOPMENTS

The group will continue to investigate new business opportunities, particularly in the resources sector.

EZENET LIMITED
DIRECTORS' REPORT (Continued)

SHARE OPTIONS

At the date of this report, there were no share options outstanding.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Hewitt, Turner & Gelevitis, as presented on page 13 of this Annual Report.

NON AUDIT SERVICES

There were no non-audit services provided by the entity's auditor, Hewitt, Turner & Gelevitis.

Signed in accordance with a resolution of the directors

W G Martinick
Director
Perth, 25 September 2009

EZENET LIMITED
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ezenet Limited, I state that:

1) In the opinion of the directors:

   (a) the financial statements, notes and additional disclosures included in the directors' report designated as audited, of the company and of the consolidated entity are 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; and

      (ii) complying with Accounting Standards and Corporations Regulations 2001; and

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

2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2009.

On behalf of the Board

W G Martinick
Director
Perth, 25 September 2009

Suite 4, 1st Floor
63 Shepperton Road
Victoria Park
Western Australia 6100
***Telephone:** (08) 9362 5855*
***Facsimile:** (08) 9362 5186*
***Email:** htg@htgbdc.com*
***Website:** www.htgbdc.com*
***ABN:** 78 607 011 001*
PO Box 199
Victoria Park
Western Australia 6979

AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF EZENET LIMITED AND CONTROLLED ENTITIES

I, declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

HEWITT TURNER & GELEVITIS

....
TIMOTHY TURNER
REGISTERED COMPANY AUDITOR

Dated in Perth this 25th day of September 2009.

HEWITT TURNER & GELEVITIS

BUSINESS DEVELOPMENT CONSULTANTS

Capital Raising
Wealth Creation
Asset Protection
Audit Assurance
Taxation Advisors
Strategic Planning
Accounting Services
Management Consultancy

PRINCIPALS

Timothy Turner
B.BUS (ACC), FCPA, FTIA
Registered Company Auditor

Vick Gelevitis
B.BUS (ACC), FCPA, NTAA, FTIA

Darryl Rodrigues
B.Sc, B.BUS (ACC), CPA

Hewitt Turner & Gelevitis is a CPA Practice

CPA

EZENET LIMITED
INCOME STATEMENT
FOR YEAR ENDED 30 JUNE 2009

	Notes	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	EZENET LIMITED 2009 $	EZENET LIMITED 2008 $
Continuing operations					
Revenue	3(a)	636	13,413	636	13,413
Administrative expenses		(388,102)	(214,783)	(387,890)	(214,783)
Other operating expenses	4	(2,669,377)	(20,571)	2,879,556	(4,271,235)
Finance costs		(193,915)	(216,821)	(193,915)	(216,821)
Share of losses of associates using the equity method		(105,000)	-	-	-
Expenses		(3,356,394)	(452,175)	2,297,751	(4,702,839)
Profit/(loss) from continuing operations before income tax		(3,355,758)	(438,762)	2,298,387	(4,689,426)
Income tax (expense)/benefit	6	126,065	-	(534,189)	-
Profit /(loss) from continuing operations after income tax		(3,229,693)	(438,762)	1,764,198	(4,689,426)
Discontinued Operations					
Profit/(loss) from discontinued operations		509,413	570,272	(158,342)	-
Net profit/(loss) attributable to members of Ezenet Limited	19	(2,720,280)	131,510	1,605,856	(4,689,426)
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company					
Basic earnings/(loss) per share (cents)	25	(3.85)	(0.52)		
Diluted earnings/(loss) per share (cents)	25	(3.85)	(0.52)		
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company					
Basic earnings/(loss) per share (cents)	25	(3.24)	0.16		
Diluted earnings/(loss) per share (cents)	25	(3.24)	0.16		

The Income Statement should be read in conjunction with the accompanying notes.

EZENET LIMITED
BALANCE SHEET
AT 30 June 2009

	Notes	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	EZENET LIMITED 2009 $	EZENET LIMITED 2008 $
CURRENT ASSETS					
Cash and cash equivalents	20	1,285,948	497,926	1,285,948	59,727
Receivables	7	513,459	656,802	513,459	-
Inventory	8	-	221,040	-	-
Other	9	-	37,405	-	920
TOTAL CURRENT ASSETS		1,799,407	1,413,173	1,799,407	60,647
NON-CURRENT ASSETS					
Available-for-sale financial assets	10	703,252	5,738,763	103,022	986,878
Investments accounted for using the equity method	14	-	105,000	-	-
Plant and equipment	11	3,090	2,946,147	3,090	-
Intangible asset	12	-	102,899	-	-
Interest in subsidiary	13	-	-	1	573,200
Receivables from subsidiary	13	-	-	-	334,963
Deferred Tax Asset	6	-	-	184,783	607,773
TOTAL NON-CURRENT ASSETS		706,342	8,892,809	290,896	2,502,814
TOTAL ASSETS		2,505,749	10,305,982	2,090,303	2,563,461
CURRENT LIABILITIES					
Payables	15	158,620	557,095	158,408	216,267
Provisions	16	-	60,738	-	-
Interest-bearing liabilities	17	-	1,871,480	-	1,710,000
TOTAL CURRENT LIABILITIES		158,620	2,489,313	158,408	1,926,267
NON CURRENT LIABILITIES					
Deferred tax liability	6	-	755,429	-	-
Provisions	16	-	11,613	-	-
Interest-bearing liabilities	17	-	209,913	-	-
TOTAL NON CURRENT LIABILITIES		-	976,955	-	-
TOTAL LIABILITIES		158,620	3,466,268	158,408	1,926,267
NET ASSETS		2,347,129	6,839,714	1,931,895	637,194
SHAREHOLDERS' EQUITY					
Contributed equity	18	9,169,348	9,169,348	9,169,348	9,169,348
Reserves	19	949,823	2,722,128	1,142,930	1,454,085
Accumulated losses		(7,772,042)	(5,051,762)	(8,380,383)	(9,986,239)
TOTAL EQUITY		2,347,129	6,839,714	1,931,895	637,194

The Balance Sheet should be read in conjunction with the accompanying notes.

EZENET LIMITED
CASH FLOW STATEMENT
FOR YEAR ENDED 30 JUNE 2009

	Notes	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	EZENET LIMITED 2009 $	EZENET LIMITED 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		3,735,651	3,664,151	-	-
Payments to suppliers and employees		(2,867,785)	(2,543,126)	(459,466)	(235,136)
Interest received		10,873	28,793	636	13,413
Borrowing costs		(240,397)	(215,667)	(193,915)	(151,210)
Income taxes paid		(8,875)	(295)	-	-
GST received		-	-	-	5,862
Other		-	75,570	-	3,403
NET CASH FLOWS FROM/(USED) IN OPERATING ACTIVITIES	20	629,467	1,009,426	(652,745)	(363,668)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for property, plant and equipment		(826,474)	(1,548,330)	(3,090)	-
Payment for intangible assets		-	(55,231)	-	-
Payment for investments		(60,000)	(105,000)	-	-
Proceeds from subsidiary sale, net of cash sold		2,790,809	-	3,002,105	-
Loan to related parties		-	-	589,951	(271,044)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		1,904,335	(1,708,561)	3,588,966	(271,044)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings raised		100,548	390,710	-	-
Repayment of borrowings:					
Director's loan		-	-	-	-
Other		(136,328)	(97,443)	-	-
Other – Convertible notes repaid		(1,710,000)	(50,000)	(1,710,000)	(50,000)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(1,745,780)	243,267	(1,710,000)	(50,000)
NET INCREASE/(DECREASE) IN CASH HELD		788,022	(455,868)	1,226,221	(684,712)
Cash at the beginning of the financial year		497,926	953,794	59,727	744,439
CASH AT THE END OF THE FINANCIAL YEAR	20	1,285,948	497,926	1,285,948	59,727

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

EZENET LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2009

	Note	Attributable to equity holders of Ezenet Limited			
		Issued Capital $	Accumulated Losses $	Other Reserves $	Total Equity $
CONSOLIDATED					
At 1 July 2007		9,169,348	(5,183,272)	5,229,294	9,215,370
Profit for the year		-	131,510	-	131,510
Total income and expense for the year		-	131,510	-	131,510
Available-for-sale asset reserve	19	-	-	(2,507,166)	(2,507,166)
As at 30 June 2008		9,169,348	(5,051,762)	2,722,128	6,839,714

	Note	Attributable to equity holders of Ezenet Limited			
		Issued Capital $	Accumulated Losses $	Other Reserves $	Total Equity $
CONSOLIDATED					
At 1 July 2008		9,169,348	(5,051,762)	2,722,128	6,839,714
Loss for the year		-	(2,720,280)	-	(2,720,280)
Total income and expense for the year		-	(2,720,280)	-	(2,720,280)
Recognition of impairment on available-for-sale financial assets – net of tax				(1,527,525)	(1,527,525)
Changes to available-for-sale financial assets – net of tax	19	-	-	(244,780)	(244,780)
As at 30 June 2009		9,169,348	(7,772,042)	949,823	2,347,129

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

EZENET LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2009

	Attributable to equity holders of Ezenet Limited			
	Issued Capital $	Accumulated Losses $	Other Reserves $	Total Equity $
PARENT				
At 1 July 2007	9,169,348	(5,296,813)	5,229,294	9,101,829
Loss for the year	-	(4,689,426)	-	(4,689,426)
Total income and expense for the year	-	(4,689,426)	-	(4,689,426)
Available-for-sale financial asset reserve	-	-	(3,775,209)	(3,775,209)
As at 30 June 2008	9,169,348	(9,986,239)	1,454,085	637,194

	Attributable to equity holders of Ezenet Limited			
	Issued Capital $	Accumulated Losses $	Other Reserves $	Total Equity $
PARENT				
At 1 July 2008	9,169,348	(9,986,239)	1,454,085	637,194
Profit for the year		1,605,856		1,605,856
Total income and expense for the year		1,605,856		1,605,856
Recognition on impairment on available-for-sale investments-net of tax	-	-	(259,482)	(259,482)
Changes to Available-for-Sale financial assets - net of tax	-	-	(51,673)	(51,673)
As at 30 June 2009	9,169,348	(8,380,383)	1,142,930	1,931,895

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

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1. CORPORATE INFORMATION

The financial report of Ezenet Limited for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 25 September 2009. The consolidated entity's functional and presentation currency is AUD ($).

Ezenet Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for certain available-for-sale financial assets, which have been measured at fair value.

(b) Statement of compliance

The finance report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2009. These are outlined below.

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB Int. 16	Hedges of a Net Investment in a Foreign Operation	This Interpretation requires that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arising between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	1 October 2008	To date the company does not have any investments in a foreign operation and as such there will be no impact on the financial statements when this standard is adopted for the first time.	1 July 2009
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New Standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However it is unlikely, disclosures required for the operating segments will be significantly different to what is currently reported (business and geographical segment).	1 July 2009

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of compliance (Continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, there will be various changes to the way financial statements are presented and various changes to names of individual financial statements.	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	To date the entity has not issued any options to employees that include non-vesting conditions and as such there will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.	1 July 2009	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2009

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of compliance (Continued)

AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending Standard issued as a consequence of revisions to AASB 3 and AASB 127. Refer above.	1 July 2009	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2009
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].	1 January 2009	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.	1 July 2009	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2009
AASB 2008-9	Amendments to AASB 1049 for consistency with AASB 101	Reflects the revised requirements of AASB 101 and AASB 2007-8 with clarification to apply the requirements in a government context.	1 January 2009	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2009

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of compliance (Continued)

AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, there will be various changes to the way financial statements are presented.	1 July 2009
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment. These amendments arise from the issuance of the IASB's *Improvements to IFRSs*. The amendments pertaining to IFRS 5, 8, IAS 1,7, 17, 36 and 39 have been issued in Australia as AASB 2009-5 (refer below).	1 July 2009	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2009

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of compliance (Continued)

AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined. These amendments arise from the issuance of the IASB's *Improvements to IFRSs*. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).	1 January 2010	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2010
AASB 2009-Y	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2009

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of compliance (Continued)

Amendments to International Financial Reporting Standards	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: ► the scope of AASB 2; and ► the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2—Group and Treasury Share Transactions*. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.	1 January 2010	There will be no impact on the financial statements when this revised standard is adopted for the first time	1 July 2010

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Ezenet Limited and any subsidiary it controlled during the year (the Group).

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The investments in subsidiaries is carried at cost, less any impairment losses.

(d) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are described in the following notes:

Note 7 - Impairment of trade debtors

Note 10 – Impairment of available for sale financial assets

Note 13 - Impairment of loans to subsidiaries

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue is recognised as the services are provided.

Sale of goods

Revenue from the sale of goods is recognised when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to the customer, indicating that there has been a transfer of risks and rewards to the customer.

Interest

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

Dividends

Revenue is recognised when the entity's right to receive the payment is established.

(f) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(g) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at the bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An impairment provision is raised when there is objective evidence that the group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rates.

(j) Foreign currency translation

Both the functional and presentation currency of Ezenet Limited and its Australian subsidiaries is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

All resulting exchange differences in the consolidated financial report are taken to the income statement.

(k) Inventory

Inventory including raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw Materials – purchase cost on in, average cost out basis. The cost of purchase comprises the purchase price including the transfer from equity of gains and losses on qualifying cash flow hedges of purchases of raw materials, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), handling and other costs directly attributable to the acquisition of raw materials. Volume discounts and rebates are included in determining the cost of purchase.

Finished goods and work-in-progress – cost of direct materials and labour and a proportion of variable and fixed manufacturing overheads based on normal operating capacity. Costs are assigned on the basis of weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs or completion and the estimated costs necessary to make the sale.

(l) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Ezenet Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003.

The head entity, Ezenet Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

EZENET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a reducing balance basis over the estimated useful life of the asset as follows:

- Office equipment and fittings - 2.5 to 5.0 years
- Equipment installed in hotels - 4.0 to 5.0 years

(o) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evalulates this designation at each financial year-end.

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evalulates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified financial assets at fair value through profit or loss, held-to-maturity investments or loans and receivables. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(p) Impairment of financial assets

Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Intangible Assets

Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the 'other operating expenses' line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

A summary of the policies applied to the Groups intangible assets is a follows:

Film Library	**Guest video customer base**
Useful life	*Useful life*
4 years (2008: 4 years)	1 year (2008: 1 year)
Amortisation method used	*Amortisation method used*
Straight-line (2008: straight line)	Straight-line (2008: straight line)
Internally generated or acquired	
Acquired	

Impairment testing

Intangible assets are tested for impairment where an indicator of impairment exists either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(r) Impairment of non financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired.

Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(s) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(v) Share-based payment transactions

The Group provides benefits to directors, employees and consultants of the Group (with shareholders' approval) in the form of share-based payment transactions, whereby directors, employees and consultants render services in exchange for options over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ezenet Limited ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(w) Employee leave benefits

(a) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Employee leave benefits (continued)

(b) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(x) Contributed equity

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

Effective 1 July 1998, the corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly the company does not have authorised capital nor par value in respect of its issued capital.

(y) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares:

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Discontinued Operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale that represents a separate major line of business. The results of discontinued operations are presented separately on the face of the income statement.

(aa) Associates

Associates are entities over which the Group has significant influence but not control or joint control generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the parent entity in the financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer note 14).

The group's share of its associates post-acquisition profits or losses is recognised in the income statement and its share of post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying value of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure constancy with the policies adopted by the Group.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

	Note	CONSOLIDATED 2009	CONSOLIDATED 2008	EZENET LIMITED 2009	EZENET LIMITED 2008
3. REVENUE		$	$	$	$
From continuing operations					
Interest received		636	13,413	636	13,413
From discontinued operation	5				
Revenue from services rendered		3,638,771	3,837,117	-	-
Sale of goods		-	187,124	-	-
Interest received		10,237	15,380	-	-
		3,649,008	4,039,621	-	-

	CONSOLIDATED 2009	CONSOLIDATED 2008	EZENET LIMITED 2009	EZENET LIMITED 2008
4. EXPENSES AND LOSSES				
Continuing Operations				
Other operating expenses				
(Reversal)/Provision for non recovery of loan	-	-	(3,341,937)	4,250,876
Impairment of available-for-sale financial assets	2,662,495	-	461,502	-
Other expenses	6,882	20,571	879	20,359
	2,669,377	20,571	(2,879,556)	4,271,235
Profit/(loss) before income tax includes the following specific expenses				
Depreciation on equipment and fittings	803,700	764,795	-	-
Amortisation of film library	45,441	52,680	-	-
Amortisation of Guest Video	-	6,246	-	-
Inventory Written off	-	16,000	-	-
Salaries & wages expenses	756,255	740,039	-	-
Postage, couriers & freight	8,029	123,282	-	859
Superannuation expenses	64,106	70,560	-	-
Operating lease rentals	64,026	78,962	-	-
Defined contribution superannuation plan expense	64,106	70,560	-	-
Provision for employee entitlements	12,366	20,230	-	-
Consultants and directors benefit expense	95,361	66,852	165,933	66,852
Salary and wages expense	756,255	740,039	-	-
Foreign exchange loss	-	4,064	-	-
Bad debts written off	12,685	5,913	-	-
Net gain on sale of available-for-sale financial assets	6,000	-	-	-

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

NOTE 5. DISCONTINUED OPERATIONS

(a) Description

On 30 April 2009 Ezenet Limited disposed of its operations segment by the sale of subsidiary Ezestream Pty Limited, which supplied digital movies to the hospitality, mining camps and health care clients.

Financial information relating to the discontinued operations for the period to date of disposal is set out below. Further information is set out in note 22 –Segment Information.

(b) Financial performance and cash flow information

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Revenue (note 3)	3,649,008	4,039,621	-	-
Cost of sales	(1,197,260)	(1,028,769)	-	-
Gross Profit	2,451,748	3,010,852	-	-
Other expenses				
Marketing Expenses	(275,342)	(311,532)	-	-
Occupancy Expenses	(65,511)	(86,265)	-	-
Administrative Expenses	(243,426)	(30,211)	-	-
Other Operating Expenses	(1,594,973)	(1,985,884)	-	-
Finance	(46,482)	(19,902)	-	-
Profit before income tax	226,014	577,058	-	-
Income tax credit/(expense)	3,364	(6,786)	-	-
Profit after income tax of discontinued operation	229,378	570,272	-	-
Gain on the sale of the division before income tax	280,035	-	-	-
Income tax expense	-	-	-	-
Gain on the sale of the division after income tax	280,035	-	-	-
Profit from discontinued operation	509,413	570,272	-	-
Net cash inflow from operating activities	629,467	1,009,426	-	-
Net cash outflow from investing activities	1,964,335	(1,603,561)	-	-
Net cash inflow/(outflow)from financing activities	(1,745,780)	243,267	-	-
Net cash increase generated by the division	848,022	(350,868)	-	-

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

NOTE 5. DISCONTINUED OPERATIONS (continued)

(c) Details of the sale of division

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Consideration received or receivable				
Cash	3,002,105	-	-	-
Fair value of contingent consideration	446,317	-	-	-
Other receivable	53,386			
Total disposal consideration	3,501,808	-	-	-
Carrying amount of net assets sold	(3,221,773)	-	-	-
Gain on sale before income tax	280,035	-	-	-
Income tax expense	-	-	-	-
Gain on sale after income tax	280,035	-	-	-

The carrying amounts of assets and liabilities at the date of sale (30 April 2009) were:

	30 April 2009
	$
Cash	211,297
Trade Receivables	532,294
Other debtors	40,566
Inventory	129,166
Property, plant and equipment	2,912,993
Intangible assets	110,296
Other	26,236
Total assets	3,962,848
Trade creditors	276,427
Provision for employee benefits	102,919
Interest-bearing liabilities	361,729
Total liabilities	741,075
Net assets	3,221,773

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

6. INCOME TAX

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
The major components of income tax expense are:				
Income Statement				
Deferred income tax benefit/(expense)	129,429	(6,786)	(534,189)	-
Income tax benefit/(expense) reported in the income statement	129,429	(6,786)	(534,189)	-
Comprising:				
Income tax benefit/(expense) attributable to continuing operations	126,065	(6,786)	(534,189)	-
Income tax benefit/(expense) attributable to discontinued operations	3,364	-	-	-
	129,429	(6,786)	(534,189)	-
Statement of Changes in Equity				
Deferred income tax related to items charged or credited directly to equity				
Unrealised gain on available-for-sale investments	654,632	(1,074,520)	111,185	(2,463,068)
Income tax (expense)/benefit reported in equity	654,632	(1,074,520)	111,185	(2,463,068)
A reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Group's applicable income tax rate is as follows:				
Accounting profit/(loss) before income tax	(2,849,706)	138,296	(1,071,667)	(4,689,426)
At the Group's statutory income tax rate				
- Australia	(854,912)	41,489	(321,500)	(1,406,828)
- New Zealand	(3,364)	6,786	-	-
Adjustments in respect of current income tax of previous years	99,650	2,429	99,650	2,429
Expenditure not allowable for income tax purposes	762	11,174	114	-
Tax losses (recognised)/not brought to account	628,435	(55,092)	755,925	1,404,399
	(129,429)	6,786	534,189	-
Income tax (benefit)/ expense reported in the consolidated income statement	(129,429)	6,786	534,189	-

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

6. INCOME TAX (Continued)

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Deferred Income Tax				
Deferred income tax at 30 June relates to the following:				
Deferred tax liabilities				
Available-for-sale investments	215,689	1,685,488	30,906	296,052
Total deferred tax liabilities	215,689	1,685,488	30,906	296,052
Deferred tax assets				
Losses available for offset against future taxable income	215,689	903,825	215,689	903,825
Provision for employee benefits	-	26,234	-	-
Total deferred tax assets	215,689	930,059	215,689	903,825
Net deferred tax liabilities/(asset)	-	755,429	(184,783)	(607,773)

The Group has not recognised tax losses arising in Australia of $5,575,552 (2008: $3,126,783) that may be available for offset against future taxable profits of the companies in which the losses arose. The potential benefit of carried forward losses will only be obtained if assessable income is derived of a nature and, of an amount sufficient to enable the benefit from the deductions to be realised or the benefit can be utilised by the Company provided that :

(i) the provisions of deductibility imposed by law are complied with; and
(ii) no change in tax legislation adversely affect the realisation or the benefit from the deductions.

Tax Consolidation

Ezenet Limited and its 100% owned Australian subsidiaries have formed a tax consolidated group. Members of the group entered into a tax sharing arrangement in order to allocate the income tax expense to the wholly-owned subsidiaries on a pro-rata basis. The agreement provides for the allocation of income tax liabilities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Tax effect accounting by members of the tax consolidated group

The allocation of taxes under the tax sharing and funding agreement is recognised as an increase/decrease in the subsidiaries' inter-company accounts with the tax consolidated group head company, Ezenet Limited. The group has applied the group allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
7. RECEIVABLES (Current)				
Trade debtors	13,756	660,226	13,756	-
Other debtors	499,703	-	499,703	-
Less: Allowance for impairment loss (a)	-	(3,424)	-	-
	513,459	656,802	513,459	-

(a) Allowance for impairment loss
Trade receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is made when there is objective evidence that a trade receivable is impaired. Other debtors includes an amount of $499,703 held as retention monies by Movielink Pty Ltd, the purchaser of Ezestream Pty Ltd. Movielink Pty Ltd has made a claim of $120,000 against Ezenet Ltd in regards to the loss of a contract to supply its services. Ezenet has denied that claim.

No impairment loss of has been recognised by the Group in the current year (2008:$4,992 - this amount has been included in the administrative expense item).

Movements in the provision for impairment loss were as follows:

As at 1 July	3,424	4,345	-	-
Charge for the year	-	4,992	-	-
Amounts written off	(3,424)	(5,913)	-	-
As at 30 June	-	3,424	-	-

As at 30 June, the ageing analysis of trade receivables is as follows:

	Total	0-30 days	31-60 days Other	31-60 days PDNI*	61-90 days PDNI*	91+ days PDNI*	91+days CI*
30 June 2009 Consolidated	513,459	13,756	499,703	-	-	-	-
Parent	513,459	13,756	499,703	-	-	-	-
30 June 2008 Consolidated	660,226	321,201	-	254,596	57,760	21,667	4,992
Parent	-	-		-	-	-	-

* Past due not impaired ('PDNI')
Considered impaired ('CI')

Receivables past due but are not considered impaired are: Consolidated $Nil (2008: $334,033), Parent $Nil (2008: $Nil). Payment terms on these amounts have not been re-negotiated however credit has been stopped until full payment is made. Management has been in direct contact with the relevant debtor and is satisfied that payment will be received in full.

(b) Fair value and credit risk
Details regarding the fair value and credit risk of current receivables are disclosed in note 29.

(c) Foreign exchange and interest rate risk
Details regarding foreign exchange and interest rate risk exposure are disclosed in note 29.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

8. INVENTORY

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Year ended 30 June 2009				
Inventory at cost	-	221,040	-	-

9. OTHER (Current)

Prepayments	-	34,662	-	-
Other receivables	-	2,743	-	920
	-	37,405	-	920

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Listed shares at fair value (a)				
Weatherly International plc	573,984	5,498,391	103,022	986,878
Carbine Resources Ltd	-	150,000	-	-
Allied Gold Limited	40,000	-	-	-
Island Gas plc	89,268	90,372	-	-
	703,252	5,738,763	103,022	986,878

(a) Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate. Allied Gold Limited and Carbine Resources Ltd are listed on the Australian Stock Exchange. Weatherly International plc and Island Gas plc are listed on the London Alternative Investment Market. Fair value has been determined directly by reference to published quotations on active markets.

Movement of listed shares				
At Cost	3,545,606	3,556,606	616,211	616,211
Impairment	(2,597,574)	-	(461,502)	-
Fair value adjustment to reserve	(244,780)	2,182,157	(51,687)	370,667
Fair value at 30 June	703,252	5,738,763	103,022	986,878

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

11. PLANT AND EQUIPMENT

	CONSOLIDATED				EZENET LIMITED	
	Office equipment and fittings $	Motor Vehicles $	Plant and equipment $	Total $	Office, Plant and equipment $	Total $
Year ended 30 June 2009						
At 1 July 2008, net of accumulated depreciation and impairment	29,980	33,557	2,882,610	2,946,147	-	-
Additions	6,178	-	767,458	773,636	3,090	3,090
Sale	(23,286)	(22,378)	(2,867,329)	(2,912,993)	-	-
Depreciation expense for the year	(9,782)	(11,179)	(782,739)	(803,700)	-	-
At 30 June 2009, net of accumulated depreciation and impairment	3,090	-	-	3,090	3,090	3,090
At 30 June 2009						
Cost	3,090	-	-	3,090	3,090	3,090
Accumulated depreciation and impairment	-	-	-	-	-	-
Net carrying amount	3,090	-	-	3,090	3,090	3,090

	CONSOLIDATED				EZENET LIMITED	
	Office equipment and fittings $	Motor Vehicles $	Plant and equipment $	Total $	Office, Plant and equipment $	Total $
Year ended 30 June 2008						
At 1 July 2007, net of accumulated depreciation and impairment	28,615	-	2,133,997	2,162,612	-	-
Additions	15,141	44,435	1,488,754	1,548,330	-	-
Depreciation expense for the year	(13,776)	(10,878)	(740,141)	(764,795)	-	-
At 30 June 2008, net of accumulated depreciation and impairment	29,980	33,557	2,882,610	2,946,147	-	-
At 30 June 2008						
Cost	199,127	44,435	4,819,537	5,063,099	-	-
Accumulated depreciation and impairment	(169,147)	(10,878)	(1,936,927)	(2,116,952)	-	-
Net carrying amount	29,980	33,557	2,882,610	2,946,147	-	-

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

12. INTANGIBLE ASSET

	CONSOLIDATED			EZENET LIMITED
	Guest Video $	Digital film library $	Total $	Total $
Year ended 30 June 2009				
At 1 July 2008, net of amortisation	-	102,899	102,899	-
Additions	-	52,838	52,838	
Sale	-	(110,296)	(110,296)	-
Amortisation expense for the year	-	(45,441)	(45,441)	-
At 30 June 2009, net of amortisation	-	-	-	-
At 30 June 2009				
Cost	-	-	-	-
Accumulated amortisation	-	-	-	-
Net carrying amount	-	-	-	-

	CONSOLIDATED			EZENET LIMITED
	Guest Video $	Digital film library $	Total $	Total $
Year ended 30 June 2008				
At 1 July 2007, net of amortisation	6,246	100,348	106,594	-
Additions	-	55,231	55,231	-
Amortisation expense for the year	(6,246)	(52,680)	(58,926)	-
At 30 June 2008, net of amortisation	-	102,899	102,899	-
At 30 June 2008				
Cost	25,000	411,393	436,393	-
Accumulated amortisation	(25,000)	(308,494)	(333,494)	-
Net carrying amount	-	102,899	102,899	-

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

13. INTEREST IN SUBSIDIARY (Non current)	**Country of Incorporation**	**% equity held by consolidated entity**		**EZENET LIMITED Investment 2009 $**	**Investment 2008 $**
		2009	2008		
Ezestream Pty Ltd (i)	Australia	-	100		
Share capital				-	573,199
		2009	2008		
E-Resources Pty Ltd	Australia	100	100		
Share capital				1	1
				1	573,200

Receivables from subsidiary (non current)		
Loan to subsidiary	2,260,504	5,937,404
Provision for non recovery of loan (ii)	(2,260,504)	(5,602,441)
	-	334,963

Movements in the provision for non recovery of loan were as follows:

As at 1 July	5,602,441	(1,351,565)
Charge for the year	-	(4,250,876)
Write back	(3,341,937)	-
As at 30 June	2,260,504	(5,602,441)

The loan to subsidiary is unsecured, interest free and is repayable on demand.
Management has no intention to demand repayment of the loan within the next twelve months.
(i) Refer to Note 5 for details on sale of subsidiary
(ii) Provision for impairment was made in prior years as subsidiary had incurred losses in the past.

(a) Credit risk
The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class or receivables. No collateral is held as security.

14. INVESTMENT IN ASSOCIATE

	Consolidated 2009 $	**2008 $**
(a) Movements in carrying amounts		
Carrying amount at the beginning of the financial year	105,000	-
New equity investment	-	105,000
Share of profits after income tax	(105,000)	-
Dividends received/receivable	-	-
Carrying amount at the end of the financial year	-	105,000

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

14. INVESTMENT IN ASSOCIATE (continued)

(b) Summarised financial information of associate
The Group's share of the results of its associate and its aggregated assets (including goodwill) and liabilities are as follows

	Ownership Interest	Assets	Liabilities	Revenues	Profit/(Loss)
	%	$	$	$	$
2009					
Ghazal Minerals Limited	23	-	-	-	(105,000)
2008					
Ghazal Minerals Limited	36	105,000	-	-	-

Ghazal Minerals Limited is incorporated in Australia

	Consolidated	
	2009	2008
	$	$
(c) Contingent liabilities of associates		
Share of contingent liabilities incurred jointly with other investors	-	-
Contingent liabilities relating to liabilities of the associate for which the company is severally liable	-	-
	-	-

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
15. PAYABLES (Current)				
Trade creditors and accruals	158,620	557,095	158,408	216,267

(a) Fair values
Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(b) Interest rate, foreign exchange and liquidity risk.
Trade payables are non-interest bearing and are normally settled on 30-60 day terms. Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in note 29.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

16. PROVISIONS

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Current				
Employee annual leave entitlements	-	53,952	-	-
Provision for NZ income tax	-	6,786	-	-
	-	60,738	-	-
Non-current				
Employee long service leave entitlements	-	11,613	-	-

17. INTEREST-BEARING LIABILITES

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Current				
Convertible notes (a)	-	1,710,000	-	1,710,000
Finance lease liabilities (b)	-	153,382	-	-
Unsecured loans (c)	-	8,098	-	-
	-	1,871,480	-	1,710,000
Non-current				
Finance lease liabilities (b)	-	178,074	-	-
Unsecured loans (c)	-	31,839	-	-
	-	209,913	-	-

(a) The convertible notes were redeemed during the year.

(b) The secured loan is an asset finance facility and is repayable over 36 months. The interest rate was 8.53%. Upon the sale of subsidiary, Ezestream Pty Ltd, these loans were repaid during the year.

(c) The unsecured loan is a chattel mortgage and is repayable over 60 months. The interest rate was 9.55%. Upon the sale of subsidiary, Ezestream Pty Ltd, these loans were repaid during the year.

(d) Defaults and breaches

During the current year and prior years, there were no defaults or breaches on any of the loans.

Assets pledged as security

The carrying amount of assets pledged as security for current and non-current interest bearing liabilities are:

Current				
Finance Lease				
Finance lease liabilities	-	157,603	-	-
Total current assets pledged as security	-	157,603	-	-
Non-current				
Finance Lease				
Finance lease liabilities	-	209,893	-	-
Total non-current assets pledged as security	-	209,893	-	-
Total assets pledged as security	-	367,496	-	-

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

18. CONTRIBUTED EQUITY

	EZENET LIMITED 2009 $	EZENET LIMITED 2008 $
(a) Issued and paid up capital		
83,989,367 ordinary shares fully paid (2008: 83,987,817)	9,573,586	9,573,586
Less: capital raising costs	(404,238)	(404,238)
	9,169,348	9,169,348

Effective 1 July 1998, the Corporations Legislation in place abolished the concept of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital or par value in respect of its shares.

(b) Movements in ordinary share capital

	2009		2008	
	Number of shares	$	Number of shares	$
Beginning of the financial year	83,989,367	9,169,348	83,987,817	9,169,348
Issued during the year - options exercised (i)	-	-	1,550	-
End of the financial year	83,989,367	9,169,348	83,989,367	9,169,348

(i) On 15 July 2007 there were 1,550 ordinary shares issued in respect of the exercise of options.

(c) Share Options

At the end of the financial year there were no unissued ordinary shares (2008: Nil).

Movement in Options	2009 Number	2008 Number
Beginning of the year	-	1,550
Exercised during the year	-	(1,550)
End of the year	-	-

(d) Staff shares issued

There were no shares issued to staff during the year (2008: Nil).

(e) Terms and conditions of contributed equity

Ordinary shares
Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. The ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Share options
There are no outstanding options at 30 June 2009.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

18. CONTRIBUTED EQUITY (Continued)

(f) Capital Management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

19. RESERVES

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Accumulated Losses				
Balance at beginning of year	(5,051,762)	(5,183,272)	(9,986,239)	(5,296,813)
Profit/(Loss) for the year	(2,720,280)	131,510	1,605,856	(4,689,426)
Balance at end of year	(7,772,042)	(5,051,762)	(8,380,383)	(9,986,239)
Share Option Reserve				
Balance at beginning of year	1,058,200	1,058,200	1,058,200	1,058,200
Movement during the year – share options expensed during the year	-	-	-	-
Balance at end of year	1,058,200	1,058,200	1,058,200	1,058,200
Convertible Note Equity Reserve				
Balance at beginning of year	136,403	136,403	136,403	136,403
Movement during the year, net of tax	-	-	-	-
Balance at end of year	136,403	136,403	136,403	136,403
Available-for-sale Assets Reserve				
Balance at beginning of year	1,527,525	4,034,691	259,482	4,034,691
Revaluation - gross	(244,780)	(3,581,666)	(51,673)	(5,393,155)
Deferred tax (note 6)	-	1,074,500	-	1,617,946
Impairment transfers to net profit– gross	(2,182,157)	-	(370,667)	-
Deferred tax (note 6)	654,632	-	111,185	-
Balance at end of year	(244,780)	1,527,525	(51,673)	259,482
Total Reserves				
Balance at end of year	949,823	2,722,128	1,142,930	1,454,085

Nature and purpose of reserves

Share option reserve

This reserve records the value of options issued to directors, employees and associates as part of their remuneration.

Convertible note equity reserve

This reserve records the equity portion attributable to the convertible notes at the time of issue.

Available-for-sale asset reserve

This reserve records fair value changes on available-for-sale investments. Amounts are recognised in profit and loss when the associated assets are sold or impaired.

EZENET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

20. CASH FLOW STATEMENT

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Reconciliation of the net profit/(loss) after tax to the net cash flows from operations				
Net profit/(loss)	(2,720,280)	131,510	1,605,856	(4,689,426)
Depreciation of plant and equipment	803,700	764,795	-	-
Amortisation of Film Library	45,441	52,680	-	-
Amortisation of Guest Video	-	6,246	-	-
Inventory written off	-	16,000	-	-
Impairment	2,767,495	-	461,502	-
Convertible note finance cost	-	14,452	-	14,452
Taxation	(129,429)	6,786	534,189	-
(Profit)/loss on sale of subsidiary	(280,035)	-	158,342	-
Exchange rate fluctuations	-	4,064	-	-
Bad debt	-	647	-	-
(Reversal)/Provision for non-recovery of loan	-	-	(3,341,937)	4,250,876
Profit on sale of available-for-sale financial assets	6,000	-	-	-
Other	-	64,132	-	19,592
Changes in assets and liabilities				
Trade receivables	155,248	(216,054)	(12,836)	-
Other receivables	(9,760)	(4,901)	-	9,264
Prepayments	(20,616)	(28,310)	-	-
Inventory	91,874	167,041	-	-
Trade and other creditors	(92,536)	30,070	(57,861)	31,574
Employee entitlements	12,365	268	-	-
Net cash flows used in operating activities	629,467	1,009,426	(652,745)	(363,668)

(a) Reconciliation of cash

Cash balance comprises:				
Cash at bank	1,285,948	445,971	1,285,948	59,727
Short term deposit	-	51,955	-	-
Closing cash balance	1,285,948	497,926	1,285,948	59,727

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short tem deposits are made at various periods on call, depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates.

At 30 June 2009, the Group had a borrowing facility of Nil (2008: $1,000,000 of which $331,455 had been utilised).

The fair value of cash and cash equivalents is $1,285,498 (2008: $497,926).

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

21. EXPENDITURE COMMITMENTS

Operating lease commitments – Group as lessee
The Group has entered into a commercial lease in November 2006 on the building in which the business operates from. This lease has an average life of 3 years with an option for renewal included in the contracts. This lease was transferred with the sale of Ezestream Pty Ltd.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$
Within one year	-	70,628	-	70,628
After one year but not more that five years	-	74,400	-	74,400
After more than five years	-	-	-	-
Total minimum lease payments	-	145,028	-	145,028

22. SEGMENT INFORMATION

The Group's primary segment reporting format is business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced.

Operational Segment
The Operational segment includes revenue derived by the consolidated entity primarily from the information technology sector. With the majority of the revenue coming from the supply of digital movie supply to the hospitality, mining camps and health care clients. This segment was sold on 30 April 2009

Investment Segment
The Investment segment relates to its four holdings in Weatherly plc, Allied Gold Limited, Island Gas plc and Ghazal Minerals Limited.

Business Segment
The following table presents revenue and profit information and certain asset information regarding business segment for the year ended 30 June 2009.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

22. SEGMENT INFORMATION (Continued)

	Continuing Operations Investments $	Discontinued Operation Operational $	Total $
Year ended 30 June 2009			
Revenue			
Sales to clients	-	3,638,771	3,638,771
Other revenue	636	10,237	10,873
Total segment revenue	636	3,649,008	3,649,644
Total consolidated revenue			3,649,644
Result			
Segment results	(3,161,843)	552,531	(2,609,312)
Profit / (loss) before income tax and finance costs			(2,609,312)
Finance costs	(193,915)	(46,482)	(240,397)
Profit / (loss) before income tax			(2,849,709)
Income tax expense	126,065	3,364	129,429
Net profit / (loss) for the year	(3,229,693)	509,413	(2,720,280)
Assets and liabilities			
Segment assets	2,505,749	-	2,505,749
Total assets			2,505,749
Segment liabilities	158,620	-	158,620
Total liabilities			158,620
Other segment information			
Depreciation and amortisation	-	(849,141)	(849,141)
Impairment of available-for-sale financial assets	(2,767,495)	-	(2,767,495)
Cash flow information			
Net cash flow from operating expenses	-	629,467	629,467
Net cash flow from investing activities	(60,000)	1,964,335	1,904,335
Net cash flow from financing activities	-	(1,745,780)	(1,745,780)

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

22. SEGMENT INFORMATION (Continued)

	Continuing Operations Investments $	Discontinued Operation Operational $	Total $
Year ended 30 June 2008			
Revenue			
Sales to clients	-	4,024,241	4,024,241
Other revenue	-	28,793	28,793
Total segment revenue	-	4,053,034	4,053,034
Total consolidated revenue			4,053,034
Result			
Segment results	-	375,019	375,019
Profit / (loss) before income tax and finance costs			375,019
Finance costs			(236,723)
Profit / (loss) before income tax			138,296
Income tax expense			(6,786)
Net profit / (loss) for the year			131,510
Assets and liabilities			
Segment assets	5,843,763	4,462,219	10,305,982
Total assets			10,305,982
Segment liabilities	755,429	2,710,839	3,466,268
Total liabilities			3,466,268
Other segment information			
Depreciation and amortisation	-	(823,721)	(823,721)
Increase in fair value of investments	(3,581,687)	-	(3,581,687)
Write offs	-	647	647
Cash flow information			
Net cash flow from operating expenses	-	1,009,426	1,009,426
Net cash flow from investing activities	(105,000)	(1,603,561)	(1,780,561)
Net cash flow from financing activities	-	243,267	243,267

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

23. SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

24. EMPLOYEE BENEFITS

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Employee Benefits				
The aggregate employee benefit liability is comprised of:				
Accrued wages, salaries and on-costs	-	-	-	-
Provisions (current)	-	53,952	-	-
Provisions (non-current)	-	11,613	-	-
	-	65,565	-	-

Superannuation contributions by the consolidated entity of up to 9% of employees' wages and salaries are legally enforceable in Australia.

Employee Share Incentive Scheme

There were no shares or options issued under the Employee Share Incentive Scheme during the year or during 2008. Shareholders approved a resolution at the General Meeting for management of the company, to grant options over the ordinary shares of Ezenet Limited to consultants, contractors and certain members of staff of the consolidated entity, to allow them the mechanism to participate in the future development of the company and as an incentive for their past and future involvement and commitment. The options, issued for nil consideration, are granted in accordance with performance guidelines established by the directors and management of Ezenet Limited and are issued at the discretion of the directors and management of Ezenet Limited. These options vest on the grant date.

a. Remuneration options granted during the reporting period:
There were no options granted by Ezenet Limited to employees during the year. (2008: Nil).

b. Remuneration options exercised:
There were no options exercised or expired during this or the previous.

c. Remuneration options held as at the end of the reporting period:
There were no options held by the employees as at 30 June 2009. (2008: Nil).

d. Remuneration shares issued:
There were no shares issued to staff during the year. (2008: Nil).

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

25. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent, adjusted to exclude any costs of servicing equity, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income / (loss) and share data used in the calculations of basic and diluted earnings per share:

	2009 cents	2008 cents
(a) Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	(3.85)	(0.52)
From discontinued operation	0.61	0.68
Total basic earnings per share attributable to the ordinary equity holders of the company	(3.24)	0.16

	2009 $	2008 $
(b) Reconciliations of earnings used in calculating earnings per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic earnings per share		
From continuing operations	(3,229,693)	(438,762)
From discontinued operation	509,413	570,272
	(2,720,280)	131,510

	Number	Number
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	83,989,367	83,989,367
Effect of dilution		
Convertible notes	-	-
Share options	-	-
Weighted average number of ordinary shares in issued adjusted for the effect of dilution	83,989,367	83,989,367

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

26. AUDITOR'S REMUNERATION

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
The auditor of Ezenet Limited for the 2008 financial year was Ernst & Young and for the current (2009) is Hewitt, Turner & Gelevitis	$	$	$	$
Amounts received or due and receivable by Ernst & Young (Australia) for:				
- an audit or review of the financial report	18,410	56,832	18,410	56,832
- other services	-	-	-	-
	18,410	56,832	18,410	56,832
Amounts received or due and receivable by Hewitt, Turner & Gelevitis for:				
- an audit or review of the financial report	38,488	-	38,488	-
- other services	-	-	-	-
	38,488	-	38,488	-

27. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel:

(i) Directors

W G Martinick	Chairman (executive)
G R O'Dea	Managing Director
D H Ward	Director (non-executive)

(ii) Executives

B A Wiley	General Manager – Ezestream Pty Ltd (to 30 April 2009)
S M O Watson	Company Secretary

There were no other specified executives during the year.

(b) Employment contracts

At 30 June 2009 there were no employment contracts.

Mr B Wiley was employed under contract. The employment contract commenced 6 August 2007. This contract entitled Mr Wiley to an annual fixed amount of $137,615 and $12,385 in superannuation. On termination, Mr Wiley was entitled to three months salary in lieu of notice. With the sale of Ezestream Pty Ltd Mr Wiley's contract was terminated effective 30 April 2009.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

27. KEY MANAGEMENT PERSONNEL (continued)

(c) Compensation of Key Management Personnel (Consolidated and Parent)

Compensation of each director and the executive officer of the parent and consolidated entity are as follows:

	Short term		**Post employment**	**Share based payments[5]**	**Total**	**Total performance related**
30 June 2009	**Salaries and fees**	**Non Monetary Benefit[1]**	**Super-annuation**	**Shares**		
	$		$	$	$	
Directors						
W G Martinick	-	3,700[1]	30,000	-	33,700	-
G R O'Dea	22,936	3,700[1]	2,064	-	28,700	-
D H Ward	-	3,700[1]	25,000	-	28,700	-
Executive Officer						
B A Wiley[4]	165,313	17,291	12,056	-	194,660	-
S M O Watson[3]	-	3,700[1]	25,000	-	28,700	-
Total	188,249	32,091	94,120	-	314,460	-

2008	**Short term**		**Post employment**	**Share based payments[5]**	**Total**	**Total performance related**
30 June 2008	**Salaries and fees**	**Non Monetary Benefit[1]**	**Super-annuation**	**Shares**		
	$	$	$	$	$	
Directors						
W G Martinick	17,500	2,600	1,575	-	21,675	-
G R O'Dea	14,583	2,600	1,313	-	18,496	-
D H Ward		2,600	1,313	-	18,496	-
	14,583					
R A Burt	53,093[2]	2,600	4,778[3]	-	60,471	-
Executive Officer						
S M O Watson	64,602[3]	2,600	1,313	-	68,515	-
B A Wiley	129,440[3]	23,055	11,128		163,623	
Total	293,801	36,055	21,420	-	351,276	

1. The Non Monetary Benefit relates to the Directors Indemnity Insurance
2. The salary and superannuation are paid to Mr Burt as per his employment contract.
3. Professional services relating to legal and company secretarial fees, of Nil (2008: $50,019) were provided by Mr Simon M O Watson.
4. The salary and superannuation are paid to Mr Wiley as per his employment contract. The Non Monetary Benefit relates to the use of a motor vehicle.
5. No shares were issued as compensation during the year ended 30 June 2009 (2008: Nil).

(d) Shares issued on exercise of remuneration options

There were no shares issued on exercise of remuneration options.

(e) Option holdings of Key Management Personnel

There were no options over unissued ordinary shares outstanding as at 30 June 2009 or at 30 June 2008.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

27. KEY MANAGEMENT PERSONNEL (Continued)
(f) Shareholdings of Key Management Personnel

2009	Balance 1 July 08 Number	Granted as Remuneration Number	On Exercise of Options Number	Net Change Other Number	Balance 30 June 09 Number
Specified Directors					
W G Martinick *	14,086,140	-	-	2,111,191	16,197,331
G R O'Dea	898,425	-	-	-	898,425
D H Ward **	2,066,424	-	-	-	2,066,424
Specified Executives					
S M O Watson***	4,764,846	-	-	360,000	5,124,846
Total	21,815,835	-	-	2,471,191	24,287,026

*Shares are held by W G Martinick and Martinick Investments Pty Ltd ATF The Martinick Superannuation Fund.
**Shares are held by Blackwood Business Services Pty Ltd.
***Shares are held by SMO Watson and Kings Park Nominees Pty Ltd.

2008	Balance 1 July 07 Number	Granted as Remuneration Number	On Exercise of Options Number	Net Change Other Number	Balance 30 June 08 Number
Specified Directors					
W G Martinick*	13,986,140	-	-	100,000	14,086,140
G R O'Dea	898,425	-	-	-	898,425
D H Ward**	1,993,091	-	-	73,333	2,066,424
R A Burt	700,000	-	-	-	700,000
Specified Executives					
S M O Watson***	4,764,846	-	-	-	4,764,846
B A Wiley	-	-	-	-	-
Total	22,342,502	-	-	173,333	22,515,835

*Shares are held by W G Martinick and Martinick Investments Pty Ltd ATF The Martinick Superannuation Fund.
**Shares are held by Blackwood Business Services Pty Ltd.
***Shares are held by SMO Watson and Kings Park Nominees Pty Ltd.

(g) Loans to/from Key Management Personnel

There were no loans outstanding to or from Key Management Personnel during the year ended 30 June 2009 (2008: Nil), however Key Management Personnel held convertible notes issued by the company which were repaid in full during the year. Details of those convertible notes are set out below

Key Management		Convertible Note Principal Amount	Interest Paid	Weighted Average Interest Rate	Convertible Note Repayment Date
* W G Martinick	2009	$1,150,000	$137,055	12.9%	2 June 2009
	2008	$1,150,000	$136,425	12.0%	-
** G R O'Dea	2009	$400,000	$47,671	12.9%	2 June 2009
	2008	$400,000	$47,452	12.0%	-
*** S M Watson	2009	$60,000	$7,151	12.9%	2 June 2009
	2008	$60,000	$7,118	12.0%	-

Interest rate payable on the convertible notes was 12% pa until 31 December 2009, thereafter 14% pa until repayment.
*Held by W G Martinick and Martinick Investments Pty Ltd ATF The Martinick Superannuation Fund.
**Held by Mr O'Dea and Ms M A Kelly a party personally related to Mr O'Dea
***Held Kings Park Nominees Pty Ltd.

EZENET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

27. KEY MANAGEMENT PERSONNEL (Continued)

(h) Other transactions and balances with Key Management Personnel

Services

Professional services, relating to accounting and taxation advice, of $44,090 (2008: $21,636) were provided by Young & Wilkinson, a partnership associated with D H Ward on normal commercial terms and conditions. Professional services relating to legal and company secretarial fees, of Nil (2007: $50,019) were provided by Mr Simon M O Watson.

28. RELATED PARTY DISCLOSURE

(a) Subsidiaries

The consolidated financial statements include the financial statement of Ezenet Limited and the subsidiaries listed in the following table.

Name	Country of incorporation	Equity interest 2009	Equity interest 2008	Investment 2009	Investment 2008
		%	%	$	$
Ezestream Pty Ltd	Australia	-	100	-	573,199
E-Resources Pty Ltd	Australia	100	100	1	1
				1	573,200

Ezestream Pty Ltd was sold effective 30 April 2009 and the results are included for Ezestream to that date. Refer to note 5 for details of sale.

(b) Ultimate parent

Ezenet Limited is the ultimate parent entity.

(c) Associate

Refer to note 14 for details of associate.

(d) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 27.

(e) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

Related party		Sales to related parties	Purchases from related parties	Related party balances
PARENT				
Intercompany loan to Ezestream Pty Ltd	2009	-	-	-
Intercompany loan to Ezestream Pty Ltd	2008	-	-	3,736,900
Intercompany loan to E-Resources Pty Ltd	2009	-	-	2,260,504
Intercompany loan to E-Resources Pty Ltd	2008	-	-	3,045,604
Provision for non-recovery of loans	2009	-	-	(2,260,504)
Provision for non-recovery of loans	2008	-	-	(5,602,441)
Total	2009	-	-	-
	2008	-	-	1,180,063

Loans provided to the subsidiaries are interest free, unsecured and repayable on demand. Michelle Kelly, a party personally related to G R O'Dea, was paid $20,442 for services provided to the Company during 2009.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

29. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Group's financial instruments comprise receivables, payables, finance leases, available for sale investments and cash.

The Group's main risks arising from the financial instruments are:
(i) interest rate risk,
(ii) liquidity risk,
(iii) credit risk
(iv) price risk and
(v) foreign currency risk.

Risk Exposures and Responses

(i) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Group's income. The objective of interest rate risk management is to manage and control risk exposures within acceptable parameters, while optimising any return. As the Group has interest bearing assets, the Group's income and operating cash flows are exposed to changes in market interest rates. The assets are short term interest bearing deposits. The Group does not have any policy in place and no financial instruments are employed to mitigate interest rate risks.

At balance date, the Group had the following financial assets exposed to Australian Variable interest rate risk:

	CONSOLIDATED		EZENET LIMITED	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash at bank	1,285,948	497,926	1,285,948	59,727

The Group's interest bearing liabilities are at fixed rates and are therefore not exposed to interest rate risks.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. The 1% sensitivity is based on reasonable possible change over the financial year using the observed range for the historic 2 years.

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

29. FINANCIAL INSTRUMENTS (Continued)

At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	**Post tax profit Higher/(Lower)**		**Equity Higher/(Lower)**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
CONSOLIDATED				
+1% (100 basis points)	12,859	4,979	12,859	4,979
-1% (100 basis points)	(12,859)	(4,979)	(12,859)	(4,979)
EZENET LIMITED				
+1% (100 basis points)	12,859	597	12,859	597
-1% (100 basis points)	(12,859)	(597)	(12,859)	(597)

The movements in profit and equity are due to higher/lower interest costs from variable rate cash balances.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities. For derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming financial years are presented.

The remaining contractual maturities of the Group's and parent entity's financial liabilities are:

	CONSOLIDATED		**EZENET LIMITED**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
6 months or less	158,620	2,398,317	158,408	1,977,002
6 – 12 months	-	80,487	-	-
1 – 5 years	-	269,009	-	-
	158,620	2,747,813	158,408	1,977,002

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

29. FINANCIAL INSTRUMENTS (Continued)

Maturity analysis of financial assets and liability based on management's expectation

The risk implied from the values shown in the table below, reflects a balances view of cash inflows and (outflows). Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant and equipment and investments in working capital eg inventories and trade receivables. These assets are considered in the Group's overall liquidity risk.

Year ended 30 June 2009	<6 months	6 – 12 months	1 – 5 years	> 5 years	Total
	$	$	$	$	$
CONSOLIDATED					
Financial assets					
Cash & cash equivalents	1,285,948	-	-	-	1,285,948
Trade & other receivables	513,459	-	-	-	513,459
Available for sale investments	-	-	-	-	-
	1,799,407	-	-	-	1,799,407
Financial liabilities					
Trade & other payables	(158,620)	-	-	-	(158,620)
Interest bearing liabilities	-	-	-	-	-
	(158,620)	-	-	-	(158,620)
Net Maturity	**1,640,787**	**-**	**-**	**-**	**1,640,787**

Year ended 30 June 2009	<6 months	6 – 12 months	1 – 5 years	> 5 years	Total
	$	$	$	$	$
EZENET LIMITED					
Financial assets					
Cash & cash equivalents	1,285,948	-	-	-	1,285,948
Trade & other receivables	513,459	-	-	-	513,459
Available for sale investments	-	-	-	-	-
	1,799,407	-	-	-	1,799,407
Financial liabilities					
Trade & other payables	(158,408)	-	-	-	(158,408)
Interest bearing liabilities	-	-	-	-	-
	(158,408)	-	-	-	(158,408)
Net Maturity	1,640,999	-	-	-	1,640,999

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

29. FINANCIAL INSTRUMENTS (Continued)

(iii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments. For the Company it arises from receivables due from subsidiaries and customers.

The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the financial assets of the Group, which comprises of cash and cash equivalents, trade and other receivables and available fore sale financial assets.

The Group does not hold any credit derivatives to offset its exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group places its cash deposits with high credit-quality financial institutions, being in Australia and only with major Australian (big four) banks.

Fair value

The fair values of financial assets and liabilities approximate their carrying amounts shown in the balance sheet due to their short term nature. The carrying amounts of financial assets and liabilities as described in the balance sheet are as follows:

CONSOLIDATED	**CARRYING AMOUNT**		**AGGREGATE NET FAIR VALUE**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
FINANCIAL ASSET				
Cash	1,285,948	497,926	1,285,948	497,926
Debtors	513,459	656,802	513,459	656,802
Other debtors	-	37,405	-	2,743
Available-for-sale financial assets	703,252	5,738,763	703,252	5,738,763
Total financial assets	2,502,659	6,930,896	2,502,659	6,896,234
FINANCIAL LIABILITIES				
Trade creditors and accruals and other creditors	158,620	557,095	158,620	557,095
Loans – short term	-	39,937	-	39,937
Loans – other	-	331,455	-	331,455
Convertible Notes	-	1,710,000	-	1,710,000
Total financial liabilities	158,620	2,638,487	158,620	2,638,487

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

29. FINANCIAL INSTRUMENTS (Continued)

EZENET LIMITED	CARRYING AMOUNT		AGGREGATE NET FAIR VALUE	
	2009	2008	2009	2008
	$	$	$	$
FINANCIAL ASSET				
Cash	1,285,948	59,727	1,285,948	59,727
Debtors	13,756	-	13,756	-
Other debtors	499,703	920	499,703	920
Available-for-sale financial assets	103,022	986,878	103,022	986,878
Total financial assets	1,902,429	1,047,525	1,902,429	1,047,525
FINANCIAL LIABILITIES				
Trade creditors and accruals and other creditors	158,408	216,267	158,408	216,267
Convertible Notes	-	1,710,000	-	1,710,000
Total financial liabilities	158,408	1,926,267	158,408	1,926,267

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Cash and cash equivalent: The carrying amount approximates fair value because of their short-term to maturity.

Receivables and payables: The carrying amount approximates fair value.

Available-for-sale financial assets: Market values have been used to determine the fair value of listed available-for-sale investments.

Convertible Notes & loans: The carrying amount approximates fair value due to the interest rates on the Convertible Notes and loans being market related.

(iv) Price Risk

Equity securities price risk arises from investments in equity securities. To limit this risk the Group diversifies its portfolio in accordance with limits set by the Board. The majority of the equity investments are of a high quality and are publicly traded on the LSE (London Stock Exchange) and the ASX (Australian Securities Exchange).

EZENET LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

29. FINANCIAL INSTRUMENTS (Continued)

Sensitivity analysis

CONSOLIDATED		**Effect on:**		**Effect on:**	
		Profit	**Equity**	**Profit**	**Equity**
Share Price Sensitivity	**Sensitivity**	**2009**	**2009**	**2008**	**2008**
Risk Variable	+5%	-	35,163	-	292,188
	-5%	-	(35,163)	-	(292,188)

EZENET LMITED		**Effect on:**		**Effect on:**	
		Profit	**Equity**	**Profit**	**Equity**
Share Price Sensitivity	**Sensitivity**	**2009**	**2009**	**2008**	**2008**
Risk Variable	+5%	-	5,151	-	49,344
	-5%	-	(5,151)	-	(49,344)

(v) Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The Group has minimal transactions denominated in currencies other than the functional currency of the Group, the Australian dollar (AUD). At the balance date, the Group and Company did not have any financial assets or liabilities denominated in currencies other than the functional currency of the Group and are therefore not exposed to foreign currency risk at year-end.

30. CONTINGENT LIABILITY

During the year Ezestream Pty Ltd ("Ezestream") terminated a Memorandum of Understanding with Palvision Corporation Pte Ltd ("Palvision") of Singapore for its failure to rectify faults in an entertainment system supplied by it. Palvision disputed the termination and threatened to issue proceedings against Ezestream. On 12 June, 2008 agreement in principle was reached to settle matter on the basis that the Memorandum of Understanding was terminated, each party released the other, all unused equipment was returned to Palvision at the cost of Palvision and each party bore their own costs. The settlement agreement is in the process of finalisation but has not been agreed at the date of this report.

Suite 4, 1st Floor
63 Shepperton Road
Victoria Park
Western Australia 6100

Telephone: (08) 9362 5855
Facsimile: (08) 9362 5186

Email: htg@htgbdc.com
Website: www.htgbdc.com
ABN: 78 607 011 001

PO Box 199
Victoria Park
Western Australia 6979

HEWITT
TURNER &
GELEVITIS

BUSINESS DEVELOPMENT CONSULTANTS

Capital Raising
Wealth Creation
Asset Protection
Audit Assurance
Taxation Advisors
Strategic Planning
Accounting Services
Management Consultancy

PRINCIPALS

Timothy Turner
B.BUS (ACC), FCPA, FTIA
Registered Company Auditor

Vick Gelevitis
B.BUS (ACC), FCPA, NTAA, FTIA

Darryl Rodrigues
B.Sc, B.BUS (ACC), CPA

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF EZENET LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report, of Ezenet Limited (the company) and Ezenet Limited and Controlled Entities (the consolidated entity), 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 then ended, 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 (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 opinion.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF EZENET LIMITED AND CONTROLLED ENTITIES (continued)

HEWITT
TURNER &
GELEVITIS

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

Qualification
We were not appointed audit for the year ended 30 June 2008. Accordingly we are not in a position to and do not express any opinion on the comparative figures.

Qualified Auditor's Opinion
In our opinion, except for the effects on the comparatives of such adjustments, if any as might have been determined to be necessary had the limitation on the scope of our work as discussed in the qualification paragraph not existed:

(a) the financial report of Ezenet Limited and Ezenet Limited and controlled entities 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; and
ii. complying Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

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

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 6-10 of the report of the directors for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 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 Ezenet Limited for the year ended 30 June 2009, complies with s 300A of the *Corporations Act 2001*.

HEWITT TURNER & GELEVITIS

....
TIMOTHY TURNER
REGISTERED COMPANY AUDITOR

Signed at Perth this 25th day of September 2009.

EZENET LIMITED
CORPORATE GOVERNANCE STATEMENT
30 June 2009

The Board of Directors of Ezenet Limited is responsible for the corporate governance of the consolidated entity. Its purpose is to guide and monitor the business and affairs of Ezenet Limited on behalf of the shareholders by whom the Board was elected and to whom it is accountable.

In accordance with the Australian Stock Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations), the Corporate Governance Statement must contain specific information, and must disclose the extent to which the company has followed the guidelines during the period. Where a recommendation has not been followed that fact must be disclosed, together with the reasons for the departure. Ezenet Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

Principle 1. Lay solid foundations for management and oversight

Principle 2. Structure the Board to add value

Principle 3. Promote ethical and responsible decision making

Principle 4. Safeguard integrity in financial reporting

Principle 5. Make timely and balanced disclosure

Principle 6. Respect the rights of shareholders

Principle 7. Recognise and manage risk

Principle 8. Remunerate fairly and responsibly

Ezenet Limited's corporate governance practices were in place throughout the year ended 30 June 2009 and were fully compliant with the Council's best practice recommendations.

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report.

As the Board acts on behalf of and is accountable to shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to manage those risks.

The responsibility for the operation and administration of the company is delegated by the Board to appropriate company staff and consultants.

The Board is responsible for ensuring that management objectives and activities are in accordance with the policies and expectations set by them. The Board has a number of mechanisms in place to ensure this is achieved including:

- Board approval of the strategic and operational business plans;
- Board monitoring of key performance indicators;
- identification of risks and strategies put in place to mitigate key risks; and
- there are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

EZENET LIMITED
CORPORATE GOVERNANCE STATEMENT (Continued)
30 June 2009

Independence

Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent directors. In addition, Recommendation 2.2 requires the chairperson of the company to be independent. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement.

The Board currently comprise of two non-executive directors, including the Chairman, and one executive director, namely the Managing Director, Mr G R O'Dea. The chairman, Mr W G Martinick, is not considered to be independent using the Council's definition of independence by virtue of the fact that he is a substantial shareholder of Ezenet Limited. However, he has been appointed to this position as he has the relevant skills, experience and expertise. Mr D H Ward is considered to be independent by definition stated above.

The Board does not have a majority of independent directors however the Board considers both its structure and composition to be appropriate for the size and operations of the Company.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
W G Martinick	6.5 years
G R O'Dea	7.3 years
D H Ward	4.0 years

It is further recommended by Corporate Governance Council Recommendation 2.3 that the roles of chair and chief executive officer should not be exercised by the same individual. The Company complies with this recommendation

Meetings of the Board

The Board meets formally at least eight times a year and on other occasions, as required. The agenda for meetings is prepared by the company secretary in consultation with the managing director. Standard items include the managing director's report, financial reports, strategic matters and governance and compliance matters. Executives are available to participate in Board discussions as required.

Board access to information and independent advice

All Directors have unrestricted access to all employees of the group and, subject to the law and the terms of Deeds of Access, Insurance and Indemnity, access to all Company records. Consistent with Corporate Governance Council Principle 2, each Director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the director in the proper exercise of powers and discharge of duties as a director or as a member of a Board Committee. The Company will reimburse the director for the reasonable expense of obtaining that advice.

Remuneration and Nomination Committee

The Committee operates under a Charter approved by the Board. The role of the Committee is to:

- Review and make recommendations about remuneration policies for executives and non-executive Directors; and
- Make assessments and recommendations about the performance and suitability of individual Directors and the Board as a whole.

EZENET LIMITED
CORPORATE GOVERNANCE STATEMENT (Continued)
30 June 2009

Members of the Committee during the year were:

W G Martinick (Chairman)
G R O'Dea
D H Ward
S M O Watson

For details of the Company's policy relating to Remuneration, plus the amounts of all monetary and non-monetary emoluments paid to Directors and other key management personnel during the year, refer to the remuneration report contained in the Directors' Report.

Code of Conduct

The Board acknowledges the need for the highest standards of corporate governance and ethical conduct by all Directors and employees of the consolidated entity. As such, the Company has developed a Code of Conduct in accordance with the principles expressed in the council's recommendations which has been fully endorsed by the Board and applies to all Directors and employees. The Code of Conduct is regularly reviewed and updated as necessary to ensure that it reflects the highest standard of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

A fundamental theme is that all business affairs are conducted legally, ethically and with strict observance of the highest standards of integrity and propriety. The Directors and management have the responsibility to carry out their functions with a view to maximising financial performance of the consolidate entity. This concerns the propriety of decision making in conflict of interest situations and quality decision making for the benefits of shareholders.

Securities Trading

The Board has adopted the "Security Dealing Policy" in accordance with the Corporations Act 2001 that applies to all Directors, officers and employees of the Company. Under this policy it is illegal for Directors, officers or employees who have price sensitive information relating the Group which has not been published or which is not otherwise 'generally available' to:

- Buy, sell or otherwise deal in Company shares or options ("Company securities");
- Advise, procure or encourage another person (for example, a family member, a friend, a family Company or trust) to buy or sell Company securities: or
- Pass on information to any other person, if one knows or ought to reasonably know the person may use the information to buy or sell (or procure another person to buy or sell) Company securities.

Corporate Reporting

In accordance with Principle 4.1, the Managing Director has made the following certifications to the Board:

- That the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group; and
- That the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal control is operating efficiently in all material respects.

EZENET LIMITED
CORPORATE GOVERNANCE STATEMENT (Continued)
30 June 2009

Audit and Risk Management Committee

Member of the Audit Committee during the year were:

S M O Watson	- Secretary
D H Ward	- Non- Executive Director

The Committee operates in accordance with guidelines approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes. This includes the safeguarding of assets, the maintenance of proper accounting records and identifying and controlling risks to ensure that they do not have a negative impact on the Company. The Committee also provides the Board with additional assurance regarding the reliability of the financial information for inclusion in the financial reports.

The Audit and Risk Management Committee is also responsible for:

- Ensuring compliance with statutory responsibilities relation to accounting policy and disclosure;
- Liaising with, discussing and resolving relevant issues with the auditors;
- Assessing the adequacy of accounting, financial and operating controls;
- Reviewing half –year and annual financial statements before submission to the Board; and
- Overseeing risk management strategies in relation to debt management, capital management, cash management and insurance.

In accordance with Principle 7, the Board has established a Risk Management policy, which is designed to safeguard the assets and interests of the Company and to ensure the integrity of reporting.

The Managing Director will inform the Board annually in writing that:

- The sign off given on the financial statements is founded on a sound system of risk management and internal control compliance which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control systems is operating effectively and efficiently in all material respects.

External Auditors

The Company's current external auditors are Hewitt, Turner & Gelevitis. As noted in the Audit and Risk Management Committee charter, the performance and independence of the auditors is reviewed by the Audit and Risk Management Committee.

Hewett, Turner & Gelevitis existing policy requires that its audit team provide a statement as to their independence. This statement was received by the Audit and Risk Management Committee for the period ended 30 June 2009.

Continuous disclosure

The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the Australian Securities Exchange's securities market and has adopted a comprehensive policy covering announcements to the Australian Securities Exchange, prevention of selective or inadvertent disclosure, conduct of investor and analysts briefings and media communications. The Company Secretary has responsibility for coordinating disclosure of information to the Australian Securities Exchange.

The Company's continuous disclosure policy is reviewed periodically and updated as required and is consistent with Principle 5.

EZENET LIMITED
CORPORATE GOVERNANCE STATEMENT (Continued)
30 June 2009

Communication with shareholders

The Company places considerable importance on effective communication with shareholders to ensure their access to timely and relevant information.

The Company communicates information on its activities and financial performance through the issue of the annual and half-year financial reports, quarterly reports on activities and cash flows and through other announcements released to the Australian Securities Exchange.

The Company posts all reports, ASX announcements, media releases and copies of newspaper reports on the Company's website www.ezenet.com.au. The website contains an archive of ASX announcements and annual reports for at least the last 3 years. The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

The Company will ensure that the annual general meeting is held in a manner that enables as many shareholders as possible to attend and encourages effective participation by shareholders. The Company requires the attendance of the external auditor at the Company's annual general meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Performance Evaluation

The performance of the Board and key executives is reviewed regularly against both measurable and qualitative indicators. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Ezenet Limited.

The Board of directors aims to ensure that shareholders are informed of all information necessary to assess the performance of the directors. Information is communicated to shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report circulated to the Australian Stock Exchange Limited and the Australian Securities and Investments Commission;
- the quarterly reports and periodical announcements to the Australian Stock Exchange Limited;
- the annual general meeting and other meetings called to obtain approval of Board action as appropriate; and
- other meetings called to generally communicate key performance areas of the business.

EZENET LIMITED
ASX ADDITIONAL INFORMATION
30 June 2009

Additional information required by the Australian Stock Exchange Ltd and not disclosed elsewhere in this report is as follows. The information is current as at 23 September 2009.

(a) Statement of shareholdings

		Ordinary Shares			
Range	Names of 20 largest shareholders	Fully paid			
		No of holders	No. of shares held	% held	No. of shares in escrow
100,001 or more	Martinick Wolf Gerhard	1	12,353,266	17.32%	
	HSBC Custody Nom Aust Lim	1	7,499,000	8.93%	
	Godsell David	1	3,799,813	4.52%	
	O'Loughlin Neil Thomas	1	3,774,198	4.49%	
	Hope James Wallace JWH A/C	1	2,583,623	3.08%	
	Hillbrow Inv Ltd	1	1,820,000	2.17%	
	Kings Park Nominees PL	1	1,756,202	2.06%	
	Martinick Inv PL – Martinick S/F	1	1,732,874	2.06%	
	Hope James Wallace + N E N & J S/F A/C	1	1,685,750	2.01%	
	Watson Simon Maxwell O	1	1,612,500	1.92%	
	Kings Park Nom PL Watson S/F A/C	1	1,396,144	1.66%	
	Whaleview PL Davies S/F A/C	1	1,349,788	1.61%	
	De Chassart Phillip D	1	1,299,597	1.55%	
	Van Rooyen Reinier	1	1,262,500	1.50%	
	Kelly Michelle Anne	1	1,193,980	1.42%	
	Wakeford Holdings PL	1	1,182,155	1.41%	
	Bond Street Custs Ltd -Cogilv	1	1,057,520	1.26%	
	Jake Props PL	1	1,034,250	1.23%	
	Indi Holdings PL	1	1,020,084	1.21%	
	Blackwood Business Services	1	981,824	1.17%	
		20	52,589,839	62.61%	
	Various	70	20,904,222	24.89%	
		90	73,494,061	87.50%	Nil
10,001 - 100,000	Various	233	8,763,593	10.43%	Nil
5,001 – 10,000	Various	109	879,348	1.05%	Nil
1,001 – 5000	Various	256	771,224	0.92%	Nil
1 – 1,000	Various	131	81,141	0.10%	Nil
Total		819	83,989,367	100.00	Nil

The number of shareholdings held in less than a marketable parcel is 562

EZENET LIMITED
ASX ADDITIONAL INFORMATION
30 June 2009

(b) Statement of option holders

Names	No of holders	No of options held	% held
Total		Nil	

(c) Voting Rights

All ordinary shares carry one vote per share without restriction.

(d) Market buy-back

There is no current on-market buy-back of shares.

Substantial Shareholders, as at 30 June 2009, who have notified the company in accordance with section 671B of the Corporations Act 2001

Beneficial Owner	No of Shares
W G Martinick and Martinick Investments Pty Ltd ATF The Martinick Superannuation Fund	16,197,331
Wildhorn Master Fund	7,500,000
N T O'Loughlin	3,774,198
J W Hope	2,583,623