DATAMOTION™

ASIA PACIFIC LIMITED

ABN 44 009 148 529

2010 Annual Report

29 September 2010

Letter from the Chairman

Dear Shareholder

On behalf of your Board, I am pleased to present the Company's Annual Report for the financial year ended 30 June 2010.

The financial year has been a significant transitional period for the Company in many respects. During the year, the Board of Directors was refreshed with new non-executive directors who have taken on the role of strategically reviewing the Company's business strategy and operations from top to bottom. This strategic review has been the Board's key focus since the new directors were appointed in March 2010.

The Company's financial performance has continued to be disappointing. Whilst the Board has taken certain decisions which have substantially reduced the overheads of the business, the overall financial performance has seen the Company continue to lose money. The Board however will continue to strategically review the business operations in order to achieve improvements in the Company's revenue generation and reduce the costs of running the business. The strategic review is ongoing and the Company will continue to announce key decisions to shareholders.

In order for the Company to be successful and build shareholder wealth, the technology must remain attractive and affordable to both corporate and government clients. Our SecureMail product is leading edge, affordable and easy to use, however it is clear that corporate and government spending on information technology projects has not yet returned to previous levels. The Board will continue to invest in promoting its suite of technology products to maximise revenue opportunities both domestic and internationally.

I thank the Board for their hard work for and on behalf of shareholders. I also wish to thank shareholders for their continuing support during the past year.

Yours sincerely

Michael Robson
NON-EXECUTIVE CHAIRMAN

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Glossary in brief

DataMotion Asia Pacific	is DataMotion Asia Pacific Limited
SYNERGY Australia	is Synergy Business Solutions Australia Pty Ltd, DataMotion Asia Pacific's wholly owned subsidiary
Data-**inCrypt**®	is Data-**inCrypt**® Pty Ltd, DataMotion Asia Pacific's wholly owned Subsidiary
the Company	is DataMotion Asia Pacific Limited
the Group	is **DataMotion Asia Pacific**, **SYNERGY Australia** and Data-**inCrypt**®
ASX	is Australian Securities Exchange
DMN	is DataMotion Asia Pacific's ASX code
DMNOA	is DataMotion Asia Pacific's listed option ASX code

Corporate Directory

DIRECTORS	**Michael R Robson** BSc (Phy) ADA1/ADA2(ASX) MAICD Non-executive Chairman **Joshua J Wellisch** BSc (Info Tech) Post Grad Dip (Proj Mgmt) Non-executive Director & Company Secretary **Patrick J Corr** LLB Non- executive Director
COMPANY SECRETARY	**Joshua J Wellisch** BSc (Info Tech) Post Grad Dip (Proj Mgmt) Non-executive Director & Company Secretary
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	Level 1 Westcentre 1260 Hay Street West Perth WA 6005 AUSTRALIA Mailing Address: Private Box 1288, West Perth WA 6872, AUSTRALIA Telephone: (08) 9415 2212 Facsimile: (08) 9415 2221 Email: info@datamotion.asia Website: www.datamotion.asia
AUDITORS	Grant Thornton (WA) Partnership Chartered Accountants Level 1, 10 Kings Park Road West Perth WA 6005
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 2 Reserve Bank Building 45 St Georges Terrace Perth WA 6000
BANKERS	Australia & New Zealand Banking Group Limited Cnr Hay & Outram Streets West Perth WA 6005
SOLICITORS & CORPORATE ADVISERS	Lavan Legal Level 20 The Quadrant 1 William Street Perth WA 6000
STRATEGY, FINANCIAL & TECHNOLOGY CONSULTANTS	Deloitte Management Solutions Level 14 Woodside Plaza 240 St Georges Terrace Perth WA 6000
STOCK EXCHANGE	Listed on the Australian Securities Exchange The home Exchange is in Perth, Western Australia
ASX CODE	DMN – fully paid ordinary shares DMNOA – listed options exercisable at 1.0 cent expiring 06 May 13

Directors' Report

The Directors present their report together with the financial report of DataMotion Asia Pacific Limited ("the Company") and of the Consolidated Entity, being the Company and its subsidiaries, for the financial year ended 30 June 2010 and the auditor's report thereon.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of financial year were in customer software development, provision of online data backup and recovery facilities and DataMotion SecureMail.

No significant change in the nature of these activities occurred during the year.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

The consolidated operating loss of DataMotion Asia Pacific Limited after providing for income tax and eliminating outside equity interests amounted to $1,483,500 (2009: $2,007,176).

Comparison with Previous Financial Year's Results (ended 30 June 2010)

1) revenues from ordinary activities (net consolidated income including asset sales) increased by 10%;
2) operating (technology) sales revenue decreased by 58%;
3) net consolidated costs decreased by 21%;
4) administrative costs increased by 42%; and
5) staff costs (excluding share-based payments) decreased by 0.1%.

Review of Operations

DataMotion Asia Pacific Limited is an Internet security, systems and services group based in Perth, Western Australia. The group is focussed on generating transaction, storage and licensing revenues through its world-class DataCentre, DataMotion SecureMail (formerly SMX secure registered email) and Data-**inCrypt**® online data backup & recovery.

(i) TECHNOLOGY

Overview

the DataMotion Intelligent Information Transport (IIT) platform

…..has three products at its core, being SecureMail, FileTransfer and eForms.

SecureMail (formerly known in the Asia Pacific region as SMX secure registered email)

DataMotion's flagship encrypted email solution. SecureMail is a powerful, cost effective, and easy to use service that encrypts messages between an organisation and its business partners & customers. Messages can be chosen for encryption selectively by the sender and also by policy enforcement across the entire organisation. With SecureMail, an organisation can ensure that its messages and large files are protected, private, and are compliant with internal policies and external (i.e. Government) regulations.

FileTransfer

Organisations that need to exchange large files with their partners and customers often use File Transfer Protocol (FTP), which is inherently insecure and difficult to administer, especially for one-off ad hoc file transfer requests. These FTP management headaches result in delayed business processes, and create bottlenecks for critical data flow. DataMotion FileTransfer enables users to exchange files up to 2GB in size using either a web browser interface or a separate desktop client / service, with full delivery tracking provided. DataMotion FileTransfer is integrated with SecureMail, offering the end-user a seamless experience.

eForms

DataMotion eForms offers the ability to combine customised and personalised forms with the SecureMail system, allowing recipients to receive, complete and return a secure document without leaving their existing email client (eg Microsoft Outlook). Workflow automation is one of the most important components of the DataMotion eForms system, and enables data to be routed and processed in accordance with defined business procedures / imported into existing workflows for processing, approvals and response to the customer.

*Data-**inCrypt**® **online data backup & recovery***

….is a software solution that selects a file from an end-user's PC and then intelligently arranges, compresses and encrypts that file before transmitting it over the Internet to the DataMotion Asia Pacific DataCentre from where that file can be easily recovered when required. It enables organisations to store critical data offsite, eliminating the capital cost, ongoing maintenance and human error in backing up to tape, CD & DVD, Zip drive, flash memory, removable hard disk etc.

SYNERGY Australia

….operates the world-class DataMotion Asia Pacific DataCentre, which hosts the DataMotion SecureMail hosted service, the Data-**inCrypt**® online data backup & recovery service and the suite of e-commerce software products branded the SYNERGY TradeCentre.

(ii) CORPORATE

Overview

DATAMOTION ASIA PACIFIC LIMITED

…focused on the transitioning of its business model to reflect the emphasis on and commitment to the DataMotion platform in the Asia Pacific region.

FINANCIAL POSITION

At the end of the financial year the consolidated entity had $382,073 in cash. Subsequent to balance date the consolidated entity has raised an additional $160,000. The Directors believe that the consolidated entity currently has sufficient capital to effectively continue with its principal activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

…that occurred during the financial year were:

Technology

- the Company (through Data-**inCrypt**® Pty Ltd) was appointed Asia Pacific Master Distributor for DataMotion, Inc. (USA-based) in July 2009;
- Data-**inCrypt**® SMX secure registered email was rebranded as DataMotion SecureMail in September 2009;
- mutual confidentiality agreement executed with Optus to explore partnership opportunities in December 2009;
- DataMotion Asia Pacific DataCentre to be transformed into a "boutique" high-end hosting facility;
- DataMotion Intelligent Information Transport platform integrates managed file transfer and electronic forms with secure email; and
- Australian Football League to undertake DataMotion SecureMail trial amongst key executives.

Corporate

- the Company changed its name from Synergy Equities Group Limited to DataMotion Asia Pacific Limited, effective 01 September 2009;
- the Company placed 290,300,000 shortfall listed options in September 2009 further to the Company's pro-rata non-renounceable rights issue which closed on 29 May 2009, raising a total of AU$290,300;
- the Company placed 139,803,019 fully paid ordinary shares in October 2009 at a price of 0.15 cents per share in the Company to sophisticated and private investors, raising a total of AU$209,704;
- Allegra Capital Pty Ltd appointed to assist the Company in identifying potential acquisition targets;
- Mr Joshua Wellisch was appointed as a Director on 04 December 2009;
- the Company completed a fully underwritten rights issue in December 2009 to raise AU$1,009,213 after costs. Funds from the rights issue will be used:
  - to fund the search for a profitable technology based acquisition target which will expand the Company's portfolio of technology products whilst also leveraging its existing technologies and DataCentre; and
  - to transform the DataMotion Asia Pacific DataCentre into a "boutique" high-end hosting facility to capitalise on the shortage of commercial data centre space in Western Australia and provide additional revenue streams.
- the Company placed 80,039,686 fully ordinary shares in January 2010 at a price of 0.15 cents per share to private investors, raising a total of AU$120,059. Every two placement shares subscribed for had one free attaching listed option of existing class DMNOA;
- the Company's Group Accountant Ms Vicky Oui has resigned as joint Company Secretary in January 2010;
- the Company has successfully prosecuted the first of a series of defamation actions in the Supreme Court of Western Australia in response to comments published on the HotCopper website;
- Messrs Ronald Moir, Mark Popham and Martin Eade have resigned as Directors in March 2010;
- Messrs Michael Robson and Patrick Corr were appointed as Chairman and Director respectively in March 2010;
- Mr Joshua Wellisch was appointed as a Company Secretary in place of Mr Martin Eade in March 2010; and
- the Company has discontinued the remaining defamation actions against Mr George Moore and Mr David Norris on confidential terms in June 2010.

DIVIDENDS OR DISTRIBUTIONS

a) no dividends or distributions were paid to members during the year ended 30 June 2010; and

b) no dividends or distributions were recommended or declared for payment to members, but not paid, during the year ended 30 June 2010.

AFTER REPORTING DATE EVENTS

In July 2010, the Company renegotiated the terms of its licence agreement with DataMotion, Inc (formerly CertifiedMail.com, Inc.), on the basis that the Company's licence to offer hosted secure e-mail services and sell secure e-mail software licences for in-house enterprise use in the Far East / Asia Pacific region has been replaced with a non-exclusive licence and as a consequence the Company is no longer bound to make annual minimum payment under the agreement. The term of the new agreement is 5 years with an automatic extension for a further 5 years subject to certain minimum revenue criteria being met in each of years 3 to 5.

In August 2010, the Company placed 200,000,000 fully paid ordinary shares at an issue price of 0.08 cents per share to sophisticated investors, raising a total of AUD$160,000. The capital raised pursuant to the placement will be used for general working capital and requirements and assist in pursuing acquisitions (the ASX announcement of 05 August 10 refers).

Further, the Company has entered a mandate agreement with CPS Securities and lodged a Prospectus with the ASIC subject to shareholder approval, to issue a further 1,362,500,000 fully paid ordinary shares and 2,316,250,000 free attaching new options (exercise price of $0.005 with an expiry date of 29 March 2013) at an issue price of $0.0008 to raise approximately $1,090,000 before costs (the ASX announcement of 16 Aug 10 refers).

Except for the matters discussed above, there is at the date of this report no other matter or circumstance which has arisen since 30 June 2010 that has significantly affected or may significantly affect:

a) DataMotion Asia Pacific Limited's operations in future financial years; or
b) the results of those operations in future financial years; or
c) DataMotion Asia Pacific Limited's state of affairs in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

To further improve the consolidated entity's financial position and maximise shareholder wealth, the following is planned to occur during the current financial year:

a) the sales & marketing / rollout of the DataMotion IIT platform; and
b) the sales & marketing of Data-**inCrypt**® online data backup & recovery.

The above, combined with the current strategy of continuous improvement and an adherence to quality control in existing markets, are expected to assist in the achievement of the consolidated entity's long-term goals and development of new business opportunities.

INFORMATION ON THE DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Mr Michael A Robson	Non-executive Chairman – appointed 18 March 2010
Mr Joshua J Wellisch	Non-executive Director – appointed 04 December 2009
Mr Patrick J Corr	Non-executive Director – appointed 18 March 2010
Mr Ronald G Moir	Managing Director – resigned 18 March 2010
Mr Mark H Popham	Executive Director – resigned 18 March 2010
Mr Martin JW Eade	Executive Director – resigned 30 June 2010

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Michael A Robson, Chairman

term of office:	Non-executive Chairman of DataMotion Asia Pacific Limited since March 2010.
independent:	Yes
skills and experience:	Worked in senior executive management positions both in the financial services industry and in government since 1998 and also been a compliance and risk management consultant since 2001 to the financial services industry. Michael is a member of the Australian Institute of Company Directors, holds a Bachelor of Science (Physics) degree and is currently completing his Bachelor of Laws. Michael is currently a Non-executive Director of NeuroDiscovery Ltd and was formerly the Non-executive Chairman of US Nickel Limited.

Joshua J Wellisch, Non-Executive Director & Company Secretary

term of office:	Non-executive Director of DataMotion Asia Pacific Limited since December 2009.
independent:	Yes
skills and experience:	Was appointed a director on 4 December 2009 and bring his project management experience to the Board of DataMotion Asia Pacific Limited. He has a Bachelor of Science

degree from Murdoch University and a Post Graduate Diploma in Project Management from Curtin University. Joshua previously worked as project manager for a major telephone and internet company. Joshua is also a director of Oroya Mining Limited.

Patrick J Corr, Non-Executive Director

term of office:	Non-executive Director of DataMotion Asia Pacific Limited since March 2010.
independent:	Yes
skills and experience:	Experience in laws relating to companies and the securities industry in Australia since his admission as a Barrister & Solicitor of the Supreme Court of Western Australia in 2006. Patrick also has experience working with both private and public companies in the resources sector with projects in both Australia and foreign jurisdictions, including in-country roles in Africa.

Ronald G Moir, Managing Director (resigned 18 March 2010)

term of office:	Managing Director of DataMotion Asia Pacific Limited since May 2001 and resigned on 18 March 2010.
independent:	no
skills and experience:	more than 30 years corporate experience having established the highly successful Haiir International group of companies followed by corporate positions at Video Ezy and Cable Beach Club.

Mark H Popham FCPA GAICD, **Executive Director (CFO & Company Secretary) (resigned 18 March 2010)**

term of office:	Executive Director of DataMotion Asia Pacific Limited since July 2003 and resigned on 18 March 2010.
independent:	no
skills and experience:	extensive professional experience in banking, investment, accounting and corporate management. Mark has held senior positions in accounting firms Geers & Pusey Partners and RSM Bird Cameron.

Martin JW Eade, Executive Director (Chief Technical Officer (CTO)) (resigned 30 June 2010)

term of office:	Executive Director of DataMotion Asia Pacific Limited since April 2004 and resigned on 30 June 2010.
independent:	no
skills and experience:	previously Network Manager at Police & Nurses Credit Society before joining the Group to lead the team who designed, constructed and successfully commissioned the DataCentre. Martin was also responsible for the selection of DataMotion as the Company's preferred secure email platform.

COMPANY SECRETARY

Joshua J Wellisch holds a Bachelor of Science in Information Technology and a Post Graduate Diploma in Project Management. Joshua was appointed company secretary on 18 March 2010 and is also a Director of the Company.

DIRECTORS' INTEREST

As at the date of this report the interests of the Directors, held either directly or through entities they control, in the securities of DataMotion Asia Pacific Limited are as follows:

Director	Fully Paid Ordinary Shares	Rights Holdings	Options Holdings
Direct interest:			
Ronald G Moir	50,000	nil	nil
Martin JW Eade	nil	3,273,196	30,000,000
Indirect interest:			
Popham Superannuation Fund	10,000,000	8,000,000	nil
Satus Texo Pty Ltd <Robson Family A/C>	4,000,000	nil	nil

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of DataMotion Asia Pacific Limited's Directors held during the year ended 30 June 2010 and the number of meetings attended by each Director. There were a total of 23 Directors' meetings for the financial year.

Director	Number Eligible to Attend	Number Attended
Michael A Robson	4	4
Joshua J Wellisch	7	7
Patrick J Corr	4	4
Ronald G Moir	19	19
Mark H Popham	19	16
Martin JW Eade	19	19

DIRECTORS AND AUDITORS INDEMNIFICATION

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

REMUNERATION REPORT (AUDITED)

Remuneration Policies

The Company's policy is to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The Company's policy is to establish competitive remuneration including performance incentives consistent with long term development and success to ensure that remuneration is fair and reasonable, taking into account all relevant factors and within appropriate controls or limits, the performance and remuneration are appropriately linked, that all remuneration packages are reviewed annually or on an ongoing basis in accordance with management's remuneration packages, and that retirement benefits or termination payments other than notice periods will not be provided or agreed other than in exceptional circumstances.

The Company's objective is that the remuneration policy aligns with achievement of strategic objectives and the creation of long term value for shareholders.

The Company does not use specific performance hurdles in determining remuneration or short term rewards.

Remuneration Committee

The Board has not established a remuneration committee, as due to the Company's and the Board's size and its operations the Board considers such a committee is not warranted, and its function and responsibilities can be adequately and efficiently discharged by the Board as a whole. The Board operates in accordance with the Company's remuneration policy and applicable regulatory mechanisms relating to remuneration. This is a departure from the ASX Corporate Governance Council's Best Practice Recommendations 8.1.

Executive Remuneration

The Company had three executive Directors in its employ during the year ended 30 June 2010.

Executive remuneration comprises of three components:

a) base pay and benefits;
b) other remuneration such as statutory superannuation; and
c) if appropriate, options and equity based compensation.

The Company has entered into service agreements executed on 03 November 2009 with two former executive Directors, Ronald G Moir and Martin JW Eade. The termination notice period for both former executive Directors varies from immediate termination (ie no notice period required) to six months notice, dependent on circumstances as outlined in the Agreement. Termination payment also varies from accrued entitlements up to the termination date to the balance of the total Service fee outstanding, dependent on circumstances as outlined in the Agreement. Termination payments to both former executive Directors are disclosed on page 9 Table of Benefits and Payments for year ended 30 June 2010.

Non-executive Directors' Fees

The total fees paid to non-executive Directors is not to exceed $40,000 per financial year, as approved by shareholders at the Company's 30 November 1998 Annual General Meeting. Fees may also be paid to non-executive Directors for additional consulting services provided to the Company.

Executive Directors are not entitled to receive Directors' fees. Accordingly, the Executive Directors did not receive fees for the services they provided to the Company.

Remuneration Details for the Year Ended 30 June 2010

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of Benefits and Payments for the Year Ended 30 June 2010

	Short-term benefits	Post-employment benefits	Long-term benefits			
Director	**Salary, fees and leave**	**Superannuation**	**LSL**	**Termination benefits**	**Value of Unlisted Employee Option Incentive Scheme Options**	**Total**
Michael A Robson (Chairman) (appointed 18 Mar 2010)						
2010	9,156	-	-	-	-	9,156
2009	-	-	-	-	-	-
Joshua J Wellisch (Non-Executive Director & Company Secretary) (appointed 04 Dec 2009 & 18 Mar 2010)						
2010	10,703	963	-	-	-	11,666
2009	-	-	-	-	-	-
Patrick J Corr (Non-Executive Director) (appointed 18 Mar 2010)						
2010	5,293	476	-	-	-	5,769
2009	-	-	-	-	-	-
Ronald G Moir (Managing Director) (resigned 18 Mar 2010)						
2010	198,462	17,862	-	150,000	-	366,324
2009	248,933	22,404	29,057	-	123,761	424,155
Mark H Popham (Executive Director & Chief Financial Officer) (resigned 18 Mar 2010)						
2010	55,276	4,975	-	-	-	60,251
2009	46,037	4,143	-	-	82,507	132,687
Martin JW Eade (Executive Director, Company Secretary & Chief Technical Officer) (resigned 18 Mar 2010)						
2010	176,631	15,635	-	37,500	-	229,766
2009	157,757	14,198	-	-	82,507	254,462
TOTAL						
2010	455,521	39,911	-	187,500	-	682,932
2009	452,727	40,745	29,057	-	288,775	811,304

Options Granted to Directors

The issue of securities under the Company's Employee Option Incentive Scheme ("Scheme") was approved by shareholders initially at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM.

During the year ended 30 June 2010 the following options were issued under the Scheme to Directors.

Director	Held at 1 July 2009	Issued	Lapsed	Held at 30 June 2010
Michael A Robson	-	-	-	-
Joshua J Wellisch	-	-	-	-
Patrick J Corr	-	-	-	-
Ronald G Moir	30,000,000	-	(30,000,000)	-
Mark H Popham	20,000,000	-	(20,000,000)	-
Martin JW Eade	30,000,000	-	-	30,000,000

In this and previous financial years, unlisted options in the Company were issued to Directors and employees as an incentive and in recognition of the fact that the fixed cash component of remuneration is comparatively modest together with an acknowledgment of effort, dedication and loyalty to the Company. The ability to exercise the options is conditional on the holder remaining in the Company's employment. There are no other non-cash benefits payable to Directors or employees.

No options have been granted to Directors since the end of the financial year.

Each option entitles the holder to purchase one fully paid ordinary share in the Company. All options expire on the earlier of their expiry date or within 90 days of the termination of the individual's employment.

SHARE OPTIONS

At the date of this report the unissued ordinary shares of the Company under option are as follows:

Employee Option Incentive Scheme Options

Grant Date	Date of Expiry	Exercise Price	Held at 01 Jul 09	Issued	Lapsed / Cancelled	Held at 30 Sep 10
09 Dec 05	08 Dec 10	2.5 cents	10,000,000	-	-	10,000,000
29 May 08	28 May 13	2.5 cents	5,000,000	-	-	5,000,000
08 Dec 08	07 Dec 13	2.5 cents	70,000,000	-	(50,000,000)	20,000,000
19 Aug 09	18 Aug 14	2.5 cents	2,500,000	-	-	2,500,000

Consultant Option Incentive Scheme Options

Grant Date	Date of Expiry	Exercise Price	Held at 01 Jul 09	Issued	Lapsed / Cancelled	Held at 30 Sep 10
11 Dec 07	10 Dec 12	2.5 cents	5,000,000	-	-	5,000,000
04 Jul 08	03 Jul 13	2.5 cents	5,000,000	-	-	5,000,000
12 Dec 08	11 Dec 13	2.5 cents	10,000,000	-	(10,000,000)	-

The issue of securities to employees pursuant to the Company's Employee Option Incentive Scheme was approved initially at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM.

A summary of the terms of the Scheme is as follows:

1) options issued pursuant to the Scheme will be issued free or for a nominal consideration. Nominal consideration is defined as the lesser of 1 cent per option or 1% of the exercise price of the option;

2) the options will be for a term not exceeding 5 years from the date of issue or such longer term as the members of the Company may approve;

3) an optionholder will be entitled to one fully paid ordinary share in the capital of the Company ("Share") for each option exercise;
4) the exercise price of the options will be determined by the Board at the date of each offer;
5) the Scheme is open to employees and directors of the Company, or any Associated Body Corporate of the Company;
6) the options may be exercised any time within the term except where:
   a) the optionholder has not been an employee or Director for at least one year;
   b) the optionholder has failed to comply with the terms and conditions upon which the options were issued;
   c) the optionholder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or Associated Body Corporate; and
   d) the optionholder has ceased to be an employee or Director in which case if the cause was death, permanent disability or statutory retirement the employee or Director (or their personal representative) has a period of one year to exercise the option after so ceasing, and otherwise a period of 90 days after ceasing.
7) the options will not be listed for quotation on any stock exchange;
8) the options can not be sold, transferred, mortgaged, pledged or otherwise encumbered without the consent of the Board;
9) Shares issued pursuant to the exercise of the options shall rank pari passu in all respects with Shares currently on issue in the Company;
10) the Company will apply for quotation of the Shares issued upon the exercise of the options on the ASX within 10 business days of the option being exercised;
11) an optionholder may only participate in new issues of securities if the option has been exercised prior to the Record Date for determining entitlement to the issue;
12) if the Company makes a pro rata bonus issue of Shares then the option, when exercised, will entitle the holder to receive a bonus issue in respect of the Shares resulting from exercise of the option as if the option had been exercised and the Shares allotted before the Record Date;
13) if the Company makes a pro rata offer of Shares (except a bonus issue) the exercise price of the option may be reduced in accordance with ASX Listing Rule 6.22;
14) in the event of a reorganisation of the capital of the Company, the rights of an optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and
15) within 10 business days of the Company becoming aware of a takeover bid, the Company will give the optionholder an opportunity to exercise the option.

During the year ended 30 June 2010 no ordinary shares in the Company were issued pursuant to the exercise of options. Apart from as described above, there have been no conversions to, calls of, or subscriptions for ordinary shares of issued or potential ordinary shares since the reporting date and before the completion of these financial statements.

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

a) all non-audit services are reviewed by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

b) the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to a related practice of the current external auditors, Grant Thornton (WA) Partnership during the year ended 30 June 2010:

- review of long service leave entitlements - $1,120

AUDITORS' INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on the following page.

Pursuant to section 298(2) Corporations Act, this Directors' Report:

a) is made in accordance with a resolution of the Directors; and

b) is dated 29 September 2010; and

c) is signed by Michael Robson and Patrick Corr.

Michael A Robson
Non-Executive Chairman
Perth, Western Australia
29 September 2010

Patrick J Corr
Non-Executive Director
Perth, Western Australia
29 September 2010

Grant Thornton

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Auditor's Independence Declaration
To the Directors of Datamotion Asia Pacific Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Datamotion Asia Pacific Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

M J Hillgrove
Partner

Perth, 29 September 2010

Statement of Comprehensive Income

	Notes	Consolidated Group	
		2010	2009
		$	$
Sales revenue	2	141,030	333,965
Cost of sales		(4)	(28,487)
Gross profit		141,026	305,478
Other revenue	2	250,306	21,131
Administrative expenses	3	(759,682)	(534,608)
Consultant and legal fees		(182,072)	(220,570)
Depreciation and amortisation expenses	3	(62,611)	(112,840)
Director fees		(15,996)	-
Impairment of financial assets	3	-	(56)
Impairment of intangible assets	3	-	(240,681)
Employee benefit expense	3	(847,618)	(1,222,107)
Other expenses	3	(6,853)	(2,923)
(Loss) before income tax expense		(1,483,500)	(2,007,176)
Income tax expense	4	-	-
(Loss) for the year		(1,483,500)	(2,007,176)
Other comprehensive income / (loss)		-	-
Total comprehensive (loss) for the year		(1,483,500)	(2,007,176)
Basic loss per share (cents)	7	(0.095)	(0.211)
Diluted loss per share (cents)	7	(0.095)	(0.211)

The accompanying notes form part of these financial statements.

Statement of Financial Position

	Notes	Consolidated Group	
		2010	2009
		$	$
Current assets			
Cash and cash equivalents	8	382,073	225,104
Trade and other receivables	9	9,209	56,494
Financial assets	10	13	13
Other current assets	14	6,310	8,867
Total current assets		397,605	290,478
Non-current assets			
Property, plant and equipment	12	154,645	210,846
Intangible assets	13	72,963	88,786
Total non-current assets		227,608	299,632
Total assets		625,213	590,110
Current liabilities			
Trade and other payables	15	38,808	152,186
Provisions	16	7,777	33,760
Total current liabilities		46,585	185,946
Non-current liabilities			
Provisions	16	-	11,457
Total non-current liabilities		-	11,457
Total liabilities		46,585	197,403
Net assets		578,628	392,707
Equity			
Issued capital	17	38,950,363	37,308,085
Accumulated losses		(38,902,471)	(37,418,971)
Reserves		530,736	503,593
Total equity		578,628	392,707

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

Consolidated Group

	Issued Capital Ordinary Shares $	Listed Options	Accumulated Losses $	Reserves $	Total Equity $
Balance at 1 July 2008	36,284,545	-	(35,411,795)	6,590	879,340
Total comprehensive loss for the period	-	-	(2,007,176)	-	(2,007,176)
Issue of share capital	634,000	-	-	-	634,000
Capital raising costs	(7,018)	-	-	-	(7,018)
Issue of listed options	-	400,578	-	-	400,578
Capital raising costs	-	(4,020)	-	-	(4,020)
Share-based payments	-	-	-	497,003	497,003
Balance at 30 June 2009	36,911,527	396,558	(37,418,971)	503,593	392,707
Balance at 1 July 2009	36,911,527	396,558	(37,418,971)	503,593	392,707
Total comprehensive loss for the period	-	-	(1,483,500)	-	(1,483,500)
Issue of share capital	1,468,254	-	-	-	1,468,254
Capital raising costs	(120,358)	-	-	-	(120,358)
Issue of listed options	-	310,300	-	-	310,300
Capital raising costs	-	(15,918)	-	-	(15,918)
Share-based payments	-	-	-	27,143	27,143
Balance at 30 June 2010	38,259,423	690,940	(38,902,471)	530,736	578,628

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

	Notes	Consolidated Group	
		2010	2009
		$	$
Cash flows from operating activities			
Receipts from customers		148,224	421,516
Interest received		17,930	11,361
Payments to suppliers and employees		(1,817,771)	(1,426,378)
Net cash (used in) operating activities	20	(1,651,617)	(993,501)
Cash flows from investing activities			
Proceeds from sale of equity investments		502,380	23,426
Proceeds from sale of property, plant and equipment		18,205	4,000
Payment for equity investments		(290,686)	-
Payment for intangibles		(9,989)	-
Payment for purchase of property, plant and equipment		(13,029)	(7,021)
Net cash provided by investing activities		206,881	20,405
Cash flows from financing activities			
Proceeds from issue of shares and options		1,728,254	1,069,878
Capital raising costs		(126,549)	(11,741)
Net cash provided by financing activities		1,601,705	1,058,137
Net change in cash and cash equivalents held		156,969	85,041
Cash and cash equivalents at beginning of financial year		225,104	140,063
Cash and cash equivalents at end of financial year	8	**382,073**	**225,104**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

This financial report includes the consolidated financial statements and notes of DataMotion Asia Pacific Limited and controlled entities ('Consolidated Group' or 'Group').

Note 1: Statement of Significant Accounting Policies

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

Statement of Compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes of DataMotion Asia Pacific Limited and its controlled entities comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 30 September 2010.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Third Statement of Financial Position

Two comparative periods are presented for the statement of financial position when the Group:

- i Applies an accounting policy retrospectively;
- ii Makes a retrospectively restatement of items in its financial statements, or
- iii Reclassifies items in the financial statements.

We have determined that only one comparative period for the statement of financial position was required for the current reporting period as the application of the new accounting standards have had no material impact on the previously presented primary financial statements that were presented in the prior year financial statements.

Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of DataMotion Asia Pacific Limited.

Adoption of AASB 8 Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed with the addition of a possible impact on the impairment testing of goodwill allocated to the cash generating units (CGUs) of the entity. Below is an overview of the key changes and the impact on the Group's financial statements.

Measurement impact

Identification and measurement of segments — AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports using the 'management approach', whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has resulted in changes to the presentation of segment results, with inter-segment sales and expenses such as depreciation and impairment now being reported for each segment rather than in aggregate for total group operations, as this is how they are reviewed by the chief operating decision maker.

Adoption of AASB 101 Presentation of Financial Statements (revisions), AASB 2007-8 and 2007-10 ***Amendments arising from the revisions to AASB 101***

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

Disclosure impact

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Group's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

Significant Accounting Policies

a) Principles of Consolidation

A controlled entity is any entity that DataMotion Asia Pacific Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

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

Minority interest, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the equity section of the consolidated statement of financial position and in the consolidated statement of comprehensive income.

Business combination

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it s intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

DataMotion Asia Pacific Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax liabilities. Such taxes are measured using the ‘stand-alone taxpayer’ approach to allocation. Current tax liability (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2003.

c) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

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

Depreciation

The depreciable amount of all fixed assets is depreciated using the diminishing value method commencing from the time the asset is held ready for use.

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

Class of Fixed Assets	Depreciation Rate
Plant and equipment	5-40%
Software	40%

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

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

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

d) Financial Instruments

Initial recognition and measurement

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Classification and subsequent measurement

Financial assets at fair value through profit and loss

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets that are either designated as such or that are not classified in any of the categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantee) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

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

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

e) Impairment of Non-Financial Assets

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

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

f) Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life being 10 years.

Rights and licences

Rights and licences are recognised at cost of acquisition. Rights and licences have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Rights and licences are amortised over their useful life being 10 years.

g) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

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

h) Employee Benefits

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

Equity-settled compensation

The Group operates a share-based compensation plan which includes a share option arrangement. The bonus element over the exercise price of the employee's services rendered in exchange for the grant of options is recognised as an expense in the statement of comprehensive income, with a corresponding increase to an equity account. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions.

i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of twelve months or less.

j) Provisions

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

k) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

l) Goods and Services Tax (GST)

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

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

n) Comparative Figures

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

o) Going Concern

The consolidated entity has incurred operating losses of $1,483,500 (including $27,143 of non-cash share-based payments) and negative operating cash flows of $1,651,617 (2009: $993,501) for the year ended 30 June 2010.

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst acknowledging the material uncertainties, the Directors consider this to be appropriate for the following reasons:

- the ability to vary the consolidated entity's cost structure and in turn the levels of cash burn dependent on the level of achievement of certain milestones within the business plan; and
- the demonstrated ability to obtain funding through equity issues.

Whilst there has been a dependence on attracting a growth in new subscribers and investment in what are challenging capital markets, the consolidated entity continues to develop new markets for its products whilst sustaining operations under its existing funding resources.

The Directors recognise the above factors represent a material uncertainty as the Company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts state in the financial report. However, by taking into account the points noted above and those noted in the subsequent events note at Note 22, the Directors are confident the Company has adequate resources to continue in operational existence for the foreseeable future.

Critical Accounting Estimates and Judgements

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

Key estimates – Impairment

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer using a binomial model. The related assumptions are detailed in Note 21. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon the instruments were granted, refer Note 21.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and manufacturers' warranties (for plant and equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

		Consolidated Group	
		2010	2009
		$	$
2.	**REVENUE**		
	Sales revenue		
	Sales	141,030	333,965
	Other revenue		
	Interest from:		
	Other unrelated persons	13,706	11,597
	Total interest	13,706	11,597
	Gain from sale of non-current assets	931	4,829
	Gain from sale of financial assets	212,429	-
	Other	23,240	4,705
	Total other revenue	250,306	21,131
	Total revenue	391,336	355,096
3.	**RESULT FOR THE YEAR**		
(a)	**Depreciation and amortisation of non-current**		
	Depreciation of:		
	- plant and equipment	49,866	70,147
	- software	2,176	3,627
	Amortisation of:		
	- licences	2,937	2,938
	- software	5,272	34,271
	- trademarks	2,360	1,857
	Total depreciation and amortisation	62,611	112,840
(b)	**Impairment of financial assets**		
	Impairment of financial assets	-	56
	Total impairment	-	56
(c)	**Impairment of intangible assets**		
	Impairment of licences	-	240,681
	Total impairment	-	240,681
(d)	**Bad and doubtful debts**		
	Trade receivables	6,853	2,923
	Other receivables	-	-
	Total bad and doubtful debts	6,853	2,923
(e)	**Employee benefit expense**		
	Wages and salaries	806,685	731,019
	Defined contribution superannuation expense	56,865	64,615
	Share-based payments expense	8,526	382,172
	Other employee benefits expense	(24,458)	44,301
	Total employee benefit expense	847,618	1,222,107
(f)	**Operating lease payments**		
	Rent	178,060	170,484
	Total operating lease payments	178,060	170,484

		Consolidated Group	
		2010	2009
		$	$
(g)	**Loss on sale of shares**		
	Loss on sale of shares	-	36,396
	Total loss on sale of shares	-	36,936

4. INCOME TAX

(a) Income tax recognised in profit and loss

The prima facie tax expense (benefit) on operating result is reconciled to the income tax provided in the financial statements as follows:

	2010 $	2009 $
Accounting loss before income tax from continuing	(1,483,500)	(2,007,176)
Income tax expense (benefit) calculated at 30%	(445,050)	(602,153)
Non deductible expenses	13,488	163,372
Unused tax losses and temporary differences not recognised as deferred tax assets	431,562	438,781
Income tax expense (benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Unrecognised deferred tax balances

The following deferred tax assets and liabilities have not been brought to account:

Unrecognised deferred tax assets comprise:

	2010 $	2009 $
Losses available for offset against future taxable	6,275,853	5,803,194
Accrued expenses and liabilities	7,059	19,045
Capital raising costs	41,206	10,453
Intangible assets	-	20,564
Impairment	1,249,976	1,248,770
	7,574,094	7,102,026

Unrecognised deferred tax liabilities comprise:

	2010 $	2009 $
Intangible assets	-	-

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise the benefits from.

The potential deferred tax assets will only be obtained if:

(i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;

(ii) the company continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the company in realising the benefits.

Tax Consolidation

Effective 1 July, 2003, for the purposes of income taxation, the Company and its 100% wholly-owned subsidiaries formed a tax consolidated group; the head entity of the tax consolidated group is DataMotion Asia Pacific Limited.

5. INTERESTS OF KEY MANAGEMENT PERSONNEL

(a) Key management personnel compensation

Key management personnel (KMP) remuneration has been included in the Remuneration Report section of the Directors' Report.

The totals of remuneration paid to KMP of the Group during the year are as follows:

	Consolidated Group	
	2010 $	2009 $
Short-term employee benefits	455,521	452,727
Post-employment benefits	39,911	40,745
Other long-term benefits	-	29,057
Termination benefits	187,500	-
Share-based payments	-	288,775
Total	682,932	811,304

(b) Options holdings of key management personnel

	Balance 01 Jul 09	Granted as Compensation	Exercised during the year	Net Change Other	Balance 30 Jun 10
2010					
Michael A Robson	-	-	-	-	-
Joshua J Wellisch	-	-	-	-	-
Patrick J Corr	-	-	-	-	-
Ronald G Moir	30,000,000	-	-	(30,000,000)	-
Mark H Popham	20,000,000	-	-	(20,000,000)	-
Martin JW Eade	30,000,000	-	-	-	30,000,000
Total	80,000,000	-	-	(50,000,000)	30,000,000

All options issued to KMP have vested and are exercisable at 30 June 2010.

	Balance 01 Jul 08	Granted as Compensation	Exercised during the year	Net Change Other	Balance 30 Jun 09
2009					
Ronald G Moir	30,000,000	-	-	-	30,000,000
Mark H Popham	20,000,000	-	-	-	20,000,000
Martin JW Eade	12,000,000	-	-	18,000,000	30,000,000
Total	62,000,000	-	-	18,000,000	80,000,000

(c) Rights holdings of key management personnel

	Balance 01 Jul 09	Granted as Compensation	Exercised during the year	Net Change Other	Balance 30 Jun 10
2010					
Michael A Robson	-	-	-	-	-
Joshua J Wellisch	-	-	-	-	-
Patrick J Corr	-	-	-	-	-
Ronald G Moir	22,400,000	-	-	(22,400,000)	-
Mark H Popham	8,000,000	-	-	-	8,000,000
Martin JW Eade	3,273,196	-	-	-	3,273,196
Total	33,673,196	-	-	(22,400,000)	11,273,196

	Balance 01 Jul 08	Granted as Compensation	Exercised during the year	Net Change Other	Balance 30 Jun 09
2009					
Ronald G Moir	-	-	-	22,400,000	22,400,000
Mark H Popham	-	-	-	8,000,000	8,000,000
Martin JW Eade	-	-	-	3,273,196	3,273,196
Total	-	-	-	33,673,196	33,673,196

(d) Share holdings of key management personnel

	Balance 01 Jul 09	Granted as Compensation	Exercised during the year	Net Change Other	Balance 30 Jun 10
2010					
Michael A Robson	-	-	-	4,000,000	4,000,000
Joshua J Wellisch	-	-	-	-	-
Patrick J Corr	-	-	-	-	-
Ronald G Moir	33,000,000	-	-	(32,950,000)	50,000
Mark H Popham	10,000,000	-	-	-	10,000,000
Martin JW Eade	4,091,494	-	-	(4,091,494)	-
Total	47,091,494	-	-	(33,041,494)	14,050,000

	Balance 01 Jul 08	Granted as Compensation	Exercised during the year	Net Change Other	Balance 30 Jun 09
2009					
Ronald G Moir	25,000,000	-	-	8,000,000	33,000,000
Mark H Popham	10,000,000	-	-	-	10,000,000
Martin JW Eade	4,091,494	-	-	-	4,091,494
Total	39,091,494	-	-	8,000,000	47,091,494

(e) Other KMP transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 23 Related Party Transactions.

		Consolidated Group 2010 $	Consolidated Group 2009 $
6.	**AUDITORS' REMUNERATION**		
	Remuneration of the auditor of the Company for:		
	- auditing or reviewing the financial statements	14,176	26,300
	- taxation services	-	3,000
	- non-audit services	1,120	-
	Total	15,296	29,300
7.	**LOSS PER SHARE**		
(a)	Basic loss per share (cents per share)	(0.095)	(0.211)
(b)	Diluted loss per share (cents per share)	(0.095)	(0.211)
(c)	Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	1,560,901,845	950,419,160
(d)	Loss used in calculation of basic loss per share	$1,483,500	$2,007,173

There are no dilutive potential ordinary shares as the exercise of options to ordinary shares would have the effect of decreasing the loss per ordinary share and would therefore be non-dilutive.

8. CASH & CASH EQUIVALENTS

	2010 $	2009 $
Cash at bank and in hand	382,073	10,203
Short-term deposits	-	214,901
Total	382,073	225,104

Cash at bank earns interest at floating rates based on daily deposit rates. The carrying amounts of cash and cash equivalents represent fair value. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rate.

	Consolidated Group 2010 $	2009 $
9. TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	13,228	8,613
Other receivables	3,263	51,144
Provision for impairment of receivables	(7,282)	(3,263)
Total current trade and other receivables	9,209	56,494

Provision for Impairment of Receivables

Current trade and other receivables are non-interest bearing loans and generally on 30 days terms. A provision for impairment is recognised when there is an objective evidence that an individual trade or other receivable is impaired. These amounts have been included in the other expenses item. Movement in the provision for impairment of receivables is as follows:

	2010 $	2009 $
At 1 July	(3,263)	(3,263)
Provision for impairment recognised in the year	(4,019)	-
Receivables written off as uncollectible	-	-
Unused amount reversed	-	-
Balance at 30 June	(7,282)	(3,263)

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for as mentioned within Note 9. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided thereon. Amounts are considered to be "past due" when the debt has not been settled within the terms and conditions agreed.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue) <30	31 - 60	61 - 90	> 90	Within initial trade terms
	$	$	$	$	$	$	$
Consolidated Group 2010							
Trade receivables	13,228	(4,019)	-	1,552	510	2,734	8,432
Other receivables	-	-	-	-	-	-	-
Total	13,228	(4,019)	-	1,552	510	2,734	8,432
2009							
Trade receivables	8,613	-	-	859	240	682	6,832
Other receivables	51,144	(3,263)	-	-	-	-	51,144
Total	59,757	(3,263)	-	859	240	682	57,976

	Consolidated Group	
	2010	2009
	$	$
10. FINANCIAL ASSETS		
(a) Available for sale financial assets at fair value: Current		
Shares in listed entities	13	13
	13	13

Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity or coupon rate.

(i) Listed shares

The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market.

There are no individually material investments.

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. There is no impairment loss has been recognised during the year.

(b) Unlisted investments at costs

Unlisted investments in controlled entities are valued at cost, refer to Note 11 Controlled Entities. They have been impaired to reflect the net asset value of the consolidated group.

11. CONTROLLED ENTITIES

Name	Country of Incorporation	Beneficial Percentage Interest Held By Economic Entity	
		2010 %	2009 %
School of the Net Pty Ltd	Australia	100	100
Synergy Business Solutions Australia Pty Ltd	Australia	100	100
Data-**inCrypt**® Pty Ltd	Australia	100	100
CertifiedMail.com Pty Ltd	Australia	-	100
CertifiedMail (Asia Pacific) Pty Ltd	Australia	-	100
DataMotion Pty Ltd	Australia	-	100
DataMotion Asia Pty Ltd	Australia	-	100
SMX Secure Registered Email Pty Ltd	Australia	-	100
Synergy Equities Group Pty Ltd	Australia	-	100

During the year ended 30 June 2010, the Company has deregistered two of its subsidiaries, DataMotion Pty Ltd and DataMotion Asia Pty Ltd with the Australian Securities and Investments Commission and sold four of its subsidiaries, CertifiedMail.com Pty Ltd, CertifiedMail (Asia Pacific) Pty Ltd, SMX Secure Registered Email Pty Ltd and Synergy Equities Group Pty Ltd to Australian Share Finance Pty Ltd <Bradley Maguire Super Fund>. The subsidiaries sold and deregistered have been inactive for the past few years and therefore did not affect the financial position or financial results of the Group.

	Consolidated Group	
	2010	2009
	$	$
12. PROPERTY, PLANT AND EQUIPMENT		
Computing plant and equipment – at cost	1,741,322	1,741,613
Additions	935	2,325
Disposals	(2,617)	(2,616)
Closing balance	1,739,640	1,741,322
Accumulated depreciation		
Opening balance	1,576,211	1,516,522
Depreciation for the year	42,288	60,498
Disposals	(1,392)	(809)
Closing balance – accumulated depreciation	1,617,107	1,576,211
Net book value – computing plant and equipment	122,533	165,111
Office, furniture and equipment – at costs	372,080	372,080
Additions	12,000	-
Disposals	(18,057)	-
Closing balance	366,023	372,080
Accumulated depreciation		
Opening balance	331,787	322,138
Depreciation for the year	7,578	9,649
Disposals	(2,188)	-
Closing balance – accumulated depreciation	337,177	331,787
Net book value – office, furniture and equipment	28,846	40,293
Software – at cost	377,745	377,745
Additions	-	-
Disposals	-	-
Closing balance	377,745	377,745
Accumulated depreciation		
Opening balance	372,303	368,676
Depreciation for the year	2,176	3,627
Disposals	-	-
Closing balance – accumulated depreciation	374,479	372,303
Net book value – software	3,266	5,442
Total property, plant and equipment, net	154,645	210,846

	Computing, plant and equipment $	Office, furniture and equipment $	Software $	Total $
(a) Movements in carrying amounts				
Balance at 1 Jul 08	225,091	49,942	9,069	284,102
Additions	2,325	-	-	2,325
Disposals	(1,807)	-	-	(1,807)
Depreciation expense	(60,498)	(9,649)	(3,627)	(73,774)
Balance at 30 Jun 09	165,111	40,293	5,442	210,846
Balance at 1 Jul 09	165,111	40,293	5,442	210,846
Additions	935	12,000	-	12,935
Disposals	(1,225)	(15,869)	-	(17,094)
Depreciation expense	(42,288)	(7,578)	(2,176)	(52,042)
Balance at 30 Jun 10	122,533	28,846	3,266	154,645

	Consolidated Group	
	2010 $	2009 $
13. INTANGIBLE ASSETS		
Formation costs		
Opening balance	6,965	6,965
Disposals	(5,970)	-
Closing balance	995	6,965
Licences & Software		
Opening balance	70,627	348,517
Additions	-	-
Amortisation	(8,209)	(37,209)
Impairment losses	-	(240,681)
Closing balance	62,418	70,627
Trade marks		
Opening balance	11,194	13,051
Additions	9,989	-
Disposals	(9,273)	-
Amortisation	(2,360)	(1,857)
Closing balance	9,550	11,194
Total intangible assets	72,963	88,786

Licences & software have been acquired and are carried at cost less accumulated impairment losses. These intangible assets have been determined to have 10 years useful life. The licences and software have been granted for a minimum of ten years by the relevant agency with the option of renewal without significant cost at the end of this period provided that the entity meets certain predetermined targets. Licences and software are subject to impairment testing on an annual testing or whenever there is an indication of impairment.

No impairment has been recognised in 2010 (2009: $240,681). Subsequent to reporting date, the licence agreement has been renegotiated, refer to Note 22 Subsequent Events for further details.

	Consolidated Group 2010 $	Consolidated Group 2009 $
14. OTHER CURRENT ASSETS		
Prepayments	6,310	8,867
15. TRADE AND OTHER PAYABLES		
Trade payables – unsecured	14,306	94,310
Other payables and accruals	22,835	34,946
Amounts payable to:		
- key management personnel related entities	1,667	22,930
Total	38,808	152,186
16. PROVISIONS		
Analysis of total provisions		
Current	7,777	33,760
Non-current	-	11,457
Total	7,777	45,217

	Short-term Employee Benefits $	Long-term Employee Benefits $	Total $
Movement of provision			
Consolidated Group			
Opening balance at 1 Jul 09	4,703	40,514	45,217
Additional provisions	43,446	23,241	66,687
Amounts used	(40,372)	-	(40,372)
Unused amount reversed	-	(63,755)	(63,755)
Balance at 30 Jun 10	7,777	-	7,777

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

	Consolidated Group	
	2010	2009
	$	$
17. ISSUED CAPITAL		
(a) Ordinary shares		
1,977,522,710 fully paid ordinary shares (2009: 998,686,795)	38,259,423	36,911,527
Movements in contributed equity for the year		
Balance at the beginning of the year	36,911,527	36,284,545
Shares issued during the current financial year:		
- 139,803,019 on 21 October 2009	209,705	-
- 758,993,210 on 04 December 2009	1,138,489	-
- 80,039,686 on 19 January 2010	120,060	-
Shares issued during the previous financial year:		
- 38,000,000 on 13 August 2008	-	304,000
- 30,000,000 on 28 November 2008	-	150,000
- 45,000,000 on 19 February 2009	-	180,000
Less capital raising costs	(120,358)	(7,018)
Total contributed equity	38,259,423	36,911,527

The company has authorised share capital amounting to 1,977,522,710 fully paid ordinary shares of no par value. At shareholders' meetings each fully paid ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	2010	2009
(b) Listed Options		
1,130,394,439 listed options (ASX code: (2009: 400,577,991)	690,940	396,558
Movements in listed options for the year		
Balance at the beginning of the year	396,558	-
Listed options issued during the current financial year:		
- 290,300,000 on 07 September 2009	290,300	-
- 379,496,605 on 04 December 2009	-	-
- 20,000,000 on 11 December 2009	20,000	-
- 40,019,843 on 19 January 2009	-	-
Listed options issued during the previous financial year:		
- 400,577,991 on 03 June 2009	-	400,578
Less capital raising costs	(15,918)	(4,020)
Total listed options	690,940	396,558

Option holders do not have any right, by virtue of the option, to vote, to participate in dividends or to the proceeds on winding up of the Company.

During the financial year no fully paid ordinary share were issued as a result of the exercise of options. No ordinary shares have been issued since the end of the financial year as a result of the exercise of options.

(c) Options

(i) For information relating to the Company's employee and consultant option scheme, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 21 Share-based Payments.

(ii) For information relating to share options issued to key management personnel during the financial year, refer to the Directors' Report.

(d) Capital Management

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

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management debts levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

The gearing ratios for the year ended 30 June 2010 and 30 June 2009 are as follows:

	Consolidated Group	
	2010	2009
	$	$
Total borrowings	38,808	152,186
Less cash and cash equivalents	(382,073)	(225,104)
Net debt	(343,265)	(72,918)
Total equity	578,628	392,707
Total capital	235,363	319,789
Gearing ratio (Net debt / Total equity)	(59.32%)	(18.57%)

18. CONTINGENT LIABILITIES AND COMMITMENTS

Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:		
Less than one year	185,182	178,060
Between one and five years	818,884	786,369
More than five years	334,512	552,211
	1,338,578	1,516,640

The property lease is a non-cancellable lease for 10 years (having commenced 01 January 2007), with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by minimum of CPI or a minimum of 4% per annum. An option exists to renew the lease at the end of the 2016 year for an additional term of 10 years.

19. SEGMENT REPORTING

Identification of reportable segments

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

The Group is managed primarily on the basis of functions within the Group, since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

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

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

The Group's suite of technology products are comprised of the following segments:

- DataMotion SecureMail & IIT platform – a powerful, cost effective and easy to use service that encrypts messages between an organisation and its business partners and customers.
- Hosted services – including co-location of customer equipment in the DataMotion Asia Pacific DataCentre and the hosting of Internet services such as web sites and extranets.
- Data-**inCrypt**® online backup & recovery – selects a file from and end-user's PC and then intelligently arranges, compresses and encrypts that file before transmitting it over the internet to the DataMotion Asia Pacific DataCentre, from where that file can be easily recovered when required.

Basis of accounting for purposes of reporting by operating segments

Accounting policies and inter-segment transactions

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group. There are no inter-segment transactions.

Segment assets and segment liabilities

The Group has elected to early adopted AASB 2009 – 5 which amends paragraph 23 to AASB 8: *Operating Segments* requiring an entity to report a measure of total assets and liabilities for each reportable segment if such amounts are regularly provided to the chief operating decision maker.

As this information is not provided to the chief operating decision maker, this information has not been disclosed, This standard is applicable for reporting periods beginning on or after 1 January 2010.

Unallocated items

Unless indicated otherwise the following items of revenue and expense are not allocated to operating segments as they are not considered part of the core operations of any segment:

- interest revenue;
- net gain on disposal of available-for-sale of financial assets;
- net gain on disposal of plant and equipment;
- administration costs; and
- employee benefit expenses (including share-based payments).

Comparative information

Comparative information has been stated to conform to the requirements of AASB 8: *Operating Segments*.

	DataMotion SecureMail & IIT platform	Hosted services	Online backup & recovery	Consolidated
	$	$	$	$
As at 30 June 2010				
Revenue				
External sales	11,767	60,310	68,953	141,030
Other revenue	20,250	2,727	263	23,240
Inter-segment sales	-	-	-	-
Total segment revenue	32,017	63,037	69,216	164,270
Interest revenue				13,706
Net gain on disposal of available-for-sale of financial assets				212,429
Net gain on disposal of plant and equipment				931
Total group revenue				391,336
Result				
Segment net profit / (loss) before tax	(278,339)	40,154	67,780	(170,405)
Amounts not included in segment result but reviewed by the Board:				
Depreciation and amortisation				(62,611)
Unallocated items:				
Administration costs				(402,866)
Employee benefit expenses				(847,618)
Net loss before tax				(1,483,500)

	DataMotion SecureMail & IIT platform	Hosted services	Online backup & recovery	Consolidated
As at 30 June 2009				
Revenue				
External sales	7,858	243,312	82,795	333,965
Other revenue	-	3,368	1,337	4,705
Inter-segment sales	-	-	-	-
Total segment revenue	7,858	246,680	84,132	338,670
Interest revenue				11,597
Net gain on disposal of available-for-sale of financial assets				-
Net gain on disposal of plant and equipment				4,829
Total group revenue				355,096
Result				
Segment net profit / (loss) before tax	(142,926)	155,408	82,426	94,908
Amounts not included in segment result but reviewed by the Board:				
Depreciation and amortisation				(112,840)
Unallocated items:				
Administration costs				(767,137)
Employee benefit expenses				(1,222,107)
Net loss before tax				(2,007,176)

Major customers

The Group has a number of customers to whom it provides services. The Group supplies a single external customer in hosted services who accounts for 37.23% of external revenue (2009: 44.97%).

Revenue by geographical region

The Group operates in one geographical region being Australia.

20. CASH FLOW INFORMATION

Reconciliation to Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents are as reported above.

	Consolidated Group	
	2010 $	2009 $
Reconciliation of Loss from Ordinary Activities		
Net Cash Flows from Operating Activities		
Loss for the year	(1,483,500)	(2,007,176)
Non-cash flows in loss		
Amortisation	10,569	39,066
Bad debts	2,834	2,923
Consultant option	18,617	114,831
Depreciation	52,042	73,774
Discount given	490	490
Disposal of intangible assets	9,273	-
Employee option	8,526	382,172
Impairment losses – intangible assets	-	240,681
Impairment losses – subsidiary loan	5,970	-
Impairment – provision of debtors	4,019	-
Loss on sale of shares	-	36,396
Unrealised gain on investment	-	56
Profit on sale of non-current assets	(931)	(4,829)
Profit on sale of shares	(212,429)	-
Changes in assets and liabilities		
(Increase) / decrease in trade & other receivables	14,248	68,139
(Increase) / decrease in prepayments	2,557	(3,165)
Increase / (decrease) in trade payables	(17,970)	18,074
Increase / (decrease) in other payables & accruals	(26,824)	11,236
Increase / (decrease) in prepaid revenue	(1,667)	8,742
Increase / (decrease) in provisions	(37,441)	25,089
Net cash flows from operating activities	(1,651,617)	(993,501)

21. SHARE-BASED PAYMENTS

Share options are granted to employees and directors of the Company, or any Associated Body Corporate of the Company. A summary of the terms of the Scheme is contained in the Director's Report.

The following share-based payment arrangements existed at 30 June 2010.

During the year ended 30 June 2010, 2.5 million share options were issued to employees under the Scheme to take up ordinary shares at an exercise price of $0.025 each. The options are exercisable by employees with more than one years of full-time service. The options hold no voting or dividend rights and are not transferable. When an employee ceases employment the options are deemed to have lapsed. At reporting date, 50 million share options have lapsed due to three directors have ceased their employment with the Company.

In addition, 10 million share options have lapsed due to the termination of agreement with a consultant during the year ended 30 June 2010.

All options granted to employees and directors, or any Associated Body Corporate of the Company, confer a right of one ordinary share for every option held.

The number and weighted average exercise prices of share options is as follows:

	2010		**2009**	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of	105,000,000	$0.025	86,500,000	$0.025
Granted	2,500,000	$0.025	92,500,000	$0.025
Forfeited during the period	(60,000,000)		(22,000,000)	
Expired during the period	-		(52,000,000)	
Exercised during the period	-		-	
Outstanding at year-end	47,500,000		105,000,000	
Exercisable at year-end	47,500,000		105,000,000	

There were no options exercised during the year ended 30 June 2010 (2009: nil). These options had a weighted average exercise price of $0.025 at exercise date.

The weighted average fair value of the options granted during the year was $27,143 (2009: $497,003).

This price was calculated by using a Black-Scholes option pricing model applying the following inputs:

Weighted average exercise price	$0.025
Weighted average life of the option	3 years
Underlying share price	$0.007 - $0.019
Expected share price volatility	106.18% - 185.24%
Risk free interest rate	3.66% - 6.60%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

Included under employee benefits expense in the statement of comprehensive income is $8,526 (2009: $382,172) and relates, in full, to equity-settled share-based payment transactions.

Included under consultant and legal fees in the statement of comprehensive income is $18,617 (2009: $114,831) and relates, in full, to equity-settled share-based payment transactions.

22. SUBSEQUENT EVENTS

- the Company renegotiated the terms of its agreement with DataMotion, Inc. (formerly CertifiedMail.com, Inc.), on the basis that the Company's licence to offer hosted secure e-mail services and sell secure e-mail software licences for in-house enterprise use in the Far East / Asia Pacific region has been replaced with a non-exclusive licence and as a consequence the Company is no longer bound to make annual minimum payment under the agreement. The term of the new agreement is 5 years with an automatic extension for a further 5 years subject to certain minimum revenue criteria being met in each of years 3 to 5;
- the Company announced the placement of 200,000,000 fully paid ordinary shares at a price of 0.08 cents per share to sophisticated shareholders, raising a total of $160,000 (the ASX announcement of 05 Aug 10 refers); and

- the Company lodged a Prospectus in relation to capital raising subject to regulatory and shareholder approval, to issue 1,362,500,000 fully paid ordinary shares and 2,316,250,000 free attaching new options (exercise price of $0.005 with an expiry date of 29 March 2013) at an issue price of $0.0008 to raise approximately $1,090,000 before costs (the ASX announcement of 16 Aug 10 refers).

23. RELATED PARTY TRANSACTIONS

(a) Controlled entities

During the year SYNERGY Australia received a loan of $55,852 from the ultimate parent DataMotion Asia Pacific Limited and received repayment of loan of $139,724 from Data-**inCrypt**® to fund its operations. There is a stamped Loan Agreement dated 14 April 2000 to an amount of $500,000 for funds loaned by DataMotion Asia Pacific Limited to SYNERGY Australia. The initial term of the loan was for 12 months however under the terms of the Loan Agreement the term can be extended by DataMotion Asia Pacific Limited at its sole discretion. SYNERGY Australia has secured its indebtedness to the Company by the granting of a floating charge over all its assets.

During the year Data-**inCrypt**® received a loan of $74,063 from SYNERGY Australia to fund its operations. These loans are non-interest bearing and have no specific repayment date nor are they subject to any contract. It has been decided that these loans are in the nature of equity rather than a liability as there is no present obligation to repay the loans. No shares have been issued in consideration. Total loan balance of $328,733 Data-**inCrypt**® owed to SYNERGY Australia has been written off in year ended 30 June 2010. There is no financial effect on the Group's financial statements and have been eliminated upon consolidation.

(b) Ultimate Parent Entity

DataMotion Asia Pacific Limited is the ultimate holding company in the consolidated entity.

(c) Key Management Personnel

Key management personnel compensation and transactions have been included in the Remuneration Report section of the Directors' Report and Note 5 Key Management Personnel.

During the year, an amount of $24,000 was owed by a former director with regards to the purchase of shares. The amount has been fully repaid prior to reporting date.

Furthermore, a former director purchased a few non-current asset items from Synergy Business Solutions Australia Pty Ltd for the amount of $18,205.

24. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise receivables, payables, available for sale investments, cash and short-tern deposits.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These included monitoring levels of exposure to interest rate and market forecasts for interest rate. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks are summarised below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, trade and other receivables and available-for-sale-financial assets. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount net of any provisions for these assets as disclosed in the statement of financial position and notes to the financial statements.

The Group has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit evaluations including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risk limits are regulatory monitored. The Group does not require collateral in respect of financial assets.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At the reporting date there were no significant concentrations of credit risk. Refer to Note 9 for further information on impairment of financial assets that are past due.

(b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management. The Group manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities.

The table below lists the financial liability and financial asset maturity analysis.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$	$	$
Consolidated Group								
Financial liabilities due for payment								
Trade & other payables	38,808	152,186	-	-	-	-	38,808	152,186
Total expected outflows	38,808	152,186	-	-	-	-	38,808	152,186
Financial assets — cash flows realisable								
Cash and cash equivalents	382,073	225,104	-	-	-	-	382,073	225,104
Trade and other receivables	15,519	65,361	-	-	-	-	15,519	65,361
Available for sale financial assets	13	13	-	-	-	-	13	13
Total anticipated inflows	397,605	290,478	-	-	-	-	397,605	290,478
Net (outflow)/inflow on financial instruments	358,797	138,292	-	-	-	-	358,797	138,292

(c) Interest rate risk

The Group's current exposure to the risk of changes in market interest rates relate primarily to cash assets rates. The Group does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit / (loss) and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. The Group's main interest rate risk arises from cash and cash equivalents with variable interest rates.

	Consolidated Group	
	2010	2009
	$	$
Financial assets		
Cash and cash equivalents	382,073	225,104
Financial liabilities		
Interest bearing liabilities	-	-
	382,073	225,104
Impact on post tax profit / (loss) and equity		
+ 2% in interest rate	7,641	4,502
- 2% in interest rate	(7,641)	(4,502)

(d) Foreign currency risk

The Group is not exposed to significant financial risks from movements in foreign exchange rates.

There are no financial assets and no liabilities denominated in foreign currencies. The Group does not participate in any type of hedging transactions or derivatives. Therefore, no sensitivity analysis is required.

(d) Price risk

The Group's exposure to commodity and equity securities price risk is minimal. Equity securities price risk arises from investments in equity securities. In order 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 ASX.

The price risk for both listed an unlisted securities is immaterial in terms of a possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed.

(f) Net fair value

For the financial assets and liabilities disclosed in this note, the fair net value approximates their carrying value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

		2010		2009	
	Footnote	Net Carrying Value $	Net Fair Value $	Net Carrying Value $	Net Fair Value $
Consolidated Group					
Financial assets					
Cash and cash equivalents	(i)	382,073	382,073	225,104	225,104
Trade and other receivables	(i)	9,209	9,209	56,494	56,494
Available-for-sale financial assets:					
- at fair value					
– listed investments		13	13	13	13
Total available-for-sale financial assets	(ii)	13	13	13	13
Total financial assets		391,295	391,295	281,611	281,611
Financial liabilities					
Trade and other payables	(i)	38,808	38,808	152,186	152,186
Total financial liabilities		38,808	38,808	152,186	152,186

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

(ii) For listed available-for-sale financial assets, closing quoted bid prices at the end of the reporting period used. These listed investments are included within level 1 of the hierarchy of financial assets. The directors have determined that the fair values of the available-for-sale financial assets carried at cost and at recoverable amount cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. Consequently, such assets are recognised at cost and their fair values have also been stated at cost in the above table.

25. RESERVES

(a) Share-based payment reserve

The share-based payment reserve records items recognised as expenses on valuation of unlisted employee and consultant option incentive scheme options. For more information, refer to Note 21 Share-based Payments.

26. DATAMOTION ASIA PACIFIC LIMITED PARENT COMPANY INFORMATION

	Parent Entity	
	2010	2009
	$	$
Assets		
Current assets	372,641	209,682
Non-current assets	207,150	315,738
Total assets	579,791	525,420
Liabilities		
Current liabilities	33,145	121,256
Non-current liabilities	-	11,457
Total liabilities	33,145	132,713
Equity		
Issued capital	38,950,363	37,308,085
Accumulated losses	(38,934,453)	(37,418,971)
Reserves		
Share-based payments	530,736	503,593
Total reserves	530,736	503,593
Financial performance		
Loss for the year	(1,515,482)	(2,007,176)
Other comprehensive income / (loss)	-	-
Total comprehensive (loss)	(1,515,482)	(2,007,176)

Contingent liabilities

There is no contingent liabilities for the parent entity during the financial year.

Contractual commitments

There is no contractual commitments for the parent entity during the financial year.

27. CHANGES IN ACCOUNTING POLICY

New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A list of those standards and interpretations that have been released and are applicable to the Company follows:

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

New / revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Impact of new standard on the financial report (standard has not been early adopted)	Application date for Group
Accounting Standards					
AASB 9 Financial Instruments AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	AASB 139 Financial Instruments: Recognition and Measurement (part)	AASB 9 introduces new requirements for the classification and measurement of financial assets. AASB 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in AASB 139 and removes the impairment requirement for financial assets held at fair value.	31 December 2013	AASB 9 amends the classification and measurement of financial assets; as the entity has minimal financial assets held at fair value the effect on the financial report is unlikely to be significant.	1 July 2013
AASB 124 Related Party Disclosures AASB 2009-12 Amendments to Australian Accounting Standards arising from AASB 124	AASB 124 Related Party Disclosures	This revision amends the disclosure requirements for government related entities and the definition of a related party.	31 December 2011	Since the entity is not a government related entity; there is not expected to be any changes arising from this standard.	1 July 2011
AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2	Interpretation 8 and Interpretation 11.	This Standard makes amendments to Australian Accounting Standard AASB 2 *Share-based Payment* and supersedes Interpretation 8 *Scope of AASB 2* and Interpretation 11 *AASB 2 – Group and Treasury Share Transactions*. The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to 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.	31 December 2010	As the entity does not undertake significant group cash-settled share-based transactions the new standard is unlikely to have a significant impact on the financial report.	1 July 2010
AASB 2009-9 Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters	AASB 1 First Time adoption of Australian Equivalents to International Financial Reporting Standards (June 2007)	AASB 2009-9 makes amendments to ensure that entities applying Australian Accounting Standards for the first time will not face undue cost or effort in the transition process in particular situations.	31 December 2010	As this is not the first year of adoption of IFRSs, these amendments will not have any impact on the entity's financial report.	1 July 2010

New / revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Impact of new standard on the financial report (standard has not been early adopted)	Application date for Group
AASB 2009-9 Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters	AASB 1 First Time adoption of Australian Equivalents to International Financial Reporting Standards (June 2007)	AASB 2009-9 makes amendments to ensure that entities applying Australian Accounting Standards for the first time will not face undue cost or effort in the transition process in particular situations.	31 December 2010	As this is not the first year of adoption of IFRSs, these amendments will not have any impact on the entity's financial report.	1 July 2010
AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues	AASB 132 Financial Instruments: Presentation	AASB 2009-10 makes amendments which clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all existing owners of the same class of its non-derivative equity instruments.	31 January 2011	As the entity does not have any rights, options or warrants to acquire their own equity instruments, these amendments will not have any impact on the entity's financial report.	1 July 2010
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	N/A	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. In particular, it amends AASB 8 *Operating Segments* to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB.	31 December 2011	The standard is not likely to have a significant impact on the financial report other than disclosure requirements.	1 July 2011
AASB 2009-13 Amendments to AASB 1 arising from Interpretation 19	Interpretation 19	This standard amends AASB 1 to allow a first-time adopter to use the transitional provisions in Interpretation 19.	30 June 2011	As the entity is not a first-time adopter of IFRS, this standard will not have any impact.	1 July 2010
AASB 2010-01 Limited exemption from comparative AASB 7 disclosures for first time adopters (Amendments to AASB 1 and AASB 7)	AASB 1: First-time adoption of Australian Accounting Standards AASB 7 Financial instruments: Disclosures	These amendments principally give effect to extending the transition provisions of AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments to first-time adopters of Australian Accounting Standards.	30 June 2011	As the entity is not a first-time adopter of IFRS, this standard will not have any impact.	1 July 2010

New / revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Impact of new standard on the financial report (standard has not been early adopted)	Application date for Group
AASB 2010-02 Amendments to Australian Accounting Standards arising from reduced disclosure requirements.		This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements.	30 June 2014	The standard is not likely to have a significant impact on the financial report other than disclosure requirements.	1 July 2013
AASB 2010-03 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]	N/A	Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value. Requires an entity (in a business combination) to account for the replacement of the acquiree"s share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses. Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated. Eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.	30 June 2011	The standard is not likely to have a significant impact on the financial report other than disclosure requirements.	1 July 2010
AASB 2010-04 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	N/A	Emphasizes the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.	31 December 2011	The standard is not likely to have a significant impact on the financial report other than disclosure requirements.	1 July 2011

New / revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Impact of new standard on the financial report (standard has not been early adopted)	Application date for Group
		Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.			
AASB 1053 Application of Tiers of Accounting Standards	N/A	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards; and (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements. Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) for-profit entities in the private sector that have public accountability (as defined in this Standard); and (b) the Australian Government and State, Territory and Local Governments. The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) for-profit private sector entities that do not have public accountability; (b) all not-for-profit private sector entities; and (c) public sector entities other than the Australian Government and State, Territory and Local Governments.	30 June 2014	The standard is not likely to have a significant impact on the financial report, as the Group would be considered to be a Tier 1 entity.	1 July 2013

Directors' Declaration

The Directors of the Company declare that:

1. In the opinion of the Directors of the Company:

   (a) the financial statements and notes set out on page 14 to 51, and the Remuneration disclosures that are contained in page 8 to 11 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

      (i) giving true and fair view of the Group's financial position as at 30 June 2010 and of its performance, for the financial year ended on that date;

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

      (iii) complying with International Financial Reporting Standards as disclosed in Note 1.

   (b) the remuneration disclosures that are contained in page 8 to 11 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

MICHAEL A ROBSON
Non-Executive Chairman
Perth, Western Australia
29 September 2010

PATRICK J CORR
Non-Executive Director
Perth, Western Australia
29 September 2010

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Independent Auditor's Report
To the Members of DataMotion Asia Pacific Limited

Report on the financial report

We have audited the accompanying financial report of DataMotion Asia Pacific Limited (the "Company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report 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 controls relevant to the preparation and fair presentation of the financial report that are 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. The directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to 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.

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

Auditor's opinion
In our opinion:

a the financial report of DataMotion Asia Pacific Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

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

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding continuation as a going concern
Without qualifying our opinion, we draw attention to Note 1(o) in the financial report which indicates that the consolidated entity incurred a net loss of $1,483,500 (including $27,143 of non cash share based payments) and negative operating cash flows of $1,651,617 during the year ended 30 June 2010. This condition, along with other matters as set forth in Note 1(o), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts state in the financial report.

Grant Thornton

Report on the remuneration report

We have audited the remuneration report included in pages 8 to 11 of the directors' report for the year ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of DataMotion Asia Pacific Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

M J Hillgrove
Partner

Perth, 29 September 2010

The following additional information is provided in compliance with the requirements of ASX Limited.

1. SHAREHOLDER INFORMATION

1.1 Distribution of Ordinary Shares and Listed Options at 30 September 2010

Distribution	No. of Shareholders	No. of Listed Option Holders
1-1,000	436	9
1,001-5,000	642	51
5,001-10,000	400	43
10,001-100,000	1,424	208
100,001 – and over	845	350
Total	**3,748**	**661**

1.2 Holders Holding Less Than a Marketable Parcel of the Quoted Equity Securities at 30 September 2010

As at 30 September 2010, 3,284 shareholders held less than a marketable parcel of the Company's fully paid ordinary shares.

As at 30 September 2010, 436 option holders held less than a marketable parcel of the Company's listed options.

1.3 The Names of the 20 Largest Holders of the Quoted Equity Securities at 30 September 2010

Contributed Equity (ASX code – DMN)

	Name	Holding	%
1.	Intercorp Pty Ltd	312,964,219	14.37
2.	Merrill Lynch (Australia) Nominees Pty Ltd <Berndale A/C>	100,000,000	4.59
3.	Mr Roget Raymond Roget & Mrs Marina Roget <Lilybrook S/F A/C>	65,333,333	3.00
4.	Notezy Pty Ltd	50,000,000	2.30
5.	Ms Nicole Joan Gallin	49,751,000	2.28
6.	Mr Kenneth David Wikeley	49,175,000	2.26
7.	Eevo Pty Ltd	44,823,345	2.06
8.	Skymist Enterprises Pty Ltd	30,000,000	1.38
9.	Mr Adam John Charles	25,609,138	1.18
10.	Mr Adam Geoffrey Wellisch <The Welson Family A/C>	25,000,000	1.15
11.	Academic Growth Institute Fund Pty Ltd	22,918,000	1.05
12.	Mr Michal Safrata	20,096,256	0.92
13.	Hanny Properties Pty Ltd	20,000,000	0.92
14.	Mandevilla Pty Ltd	20,000,000	0.92
15.	Tatlow Nominees Pty Ltd <Tatlow Super Fund A/C>	20,000,000	0.92
16.	Melcove Pty Ltd <Chris Fyson Super Fund A/C>	18,750,000	0.86
17.	Mr Jack YueJin Li	17,100,000	0.79
18.	Mr Michael Gottfried Lintzer	16,891,500	0.78
19.	Oroya Mining Ltd	16,666,667	0.77
20.	Mr Graeme John Gladman & Mrs Franca Gladman <Biocyt S/F A/C>	16,330,757	0.75
	Total	**941,409,215**	**43.23**

1.4 The Names of the 20 Largest Listed Options Holders at 30 September 2010

Listed Options (ASX code – DMNOA)

	Name	Holding	%
1.	Mr Robert Raymond Roget & Mrs Marina Roget <Lilybrook S/F A/C>	134,666,667	11.91
2.	Intercorp Pty Ltd	96,330,600	8.52
3.	Ms Sihol Marito Gultom	45,000,000	3.98
4.	Mr Barry William Green <B Green Super Fund A/C>	40,000,000	3.54
5.	Laridlea Pty Ltd <Laridlea Pty Ltd A/C>	31,862,170	2.82
6.	Melcove Pty Ltd	24,763,332	2.19
7.	Choice Constructions Pty Ltd	21,915,347	1.94
8.	Istana Securities Limited	20,000,000	1.77
9.	Mr Alexander Campbell McPherson & Mrs Dorothy Roslyn McPherson	20,000,000	1.77
10.	Mr Matthew David Burford	17,500,000	1.55
11.	Robertson Hillhouse Investments Pty Ltd <Robertson Hillhouse S/F A/C>	17,009,950	1.50
12.	Mr Robert Ross Trevarrow & Mrs Helen Elizabeth Trevarrow	16,150,000	1.43
13.	Goffacan Pty Ltd	15,000,000	1.33
14.	Mr Leo Radom & Mrs Faye Radom <Radom Super Fund A/C>	13,913,468	1.23
15.	Social Investments Pty Ltd	13,000,000	1.15
16.	Goldwave Pty Ltd	12,083,334	1.07
17.	Samaro Pty Ltd	11,952,000	1.06
18.	Mr Edward R Henry	11,666,666	1.03
19.	Mr Simon Melville <S & R Melville S/F A/C>	11,383,334	1.01
20.	Academic Growth Institute Fund Pty Ltd	10,000,000	0.88
	Total	**584,196,868**	**51.68**

1.5 Substantial Shareholders at 30 September 2010

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Intercorp Pty Ltd – 312,964,219 fully paid ordinary shares

1.6 Number of Holders of Each Class of Securities at 30 September 2010

As at 30 September 2010, the Company had 2,177,522,710 fully paid ordinary shares held by 3,748 individual shareholders and 1,130,394,439 listed options held by 661 individual option holders.

1.7 Voting Rights

The company's share capital is of one class with the following voting rights:

Ordinary shares

a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he / she is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

Listed options

The company's options have no voting rights.

2. COMPANY SECRETARIES

Joshua J Wellisch BSc (Info Tech) Post Grad Dip (Proj Mgmt)

3. REGISTERED OFFICE

The address of DataMotion Asia Pacific Limited's registered office and principal administrative office is Level 1 Westcentre, 1260 Hay Street, West Perth WA 6005, Australia. The Company's telephone number is (+61 8) 9415 2212.

4. SHARE REGISTRY

The address of DataMotion Asia Pacific Limited's share registry, Computershare Investor Services Pty Ltd is Level 2, Reserve Bank Building, 45 St. Georges Terrace, Perth WA 6000, Australia. Computershare Investor Services Pty Ltd's telephone number is (+61 8) 9323 2000.

5. STOCK EXCHANGE LISTING

The Company's shares and options are listed on the Australian Securities Exchange Limited. The home exchange is the Australian Securities Exchange (Perth). The listed options of the Company expire on 06 May 2013.

The Company's shares are also quoted on the Berlin Bremen Stock Exchange.

6. RESTRICTED SECURITIES

There are no restricted securities.

7. UNQUOTED SECURITIES

The Company has on issue the following unquoted securities as at 30 September 2010.

Description	Code	Expiry Date	Number on Issue	Number of Holders
Employee Option Incentive Scheme options	DMNAQ	8 December 2010	10,000,000	1
Employee Option Incentive Scheme options	DMNAZ	07 December 2013	20,000,000	1
Employee Option Incentive Scheme options	DMNAS	28 May 2013	5,000,000	2
Employee Option Incentive Scheme options	DMNAK	18 August 2014	2,500,000	1
Consultant Option Incentive Scheme options	DMNAB	10 December 2012	5,000,000	1
Consultant Option Incentive Scheme options	DMNAO	03 July 2013	5,000,000	1

8. A REVIEW OF OPERATIONS AND ACTIVITIES

A review of operations and activities for the reporting period is located in the Directors' Report.

9. ON MARKET BUY BACK

The Company does not currently have an on market buy back in operation.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of DataMotion Asia Pacific Limited ("**DataMotion Asia Pacific**" or "the **Company**") have adhered to the principles of corporate governance. A description of the main corporate governance practices is set out below.

The Company's Corporate Governance Statement can be viewed on its website (www.datamotion.asia).

ASX core principles

The ASX has published 8 core principles of corporate governance in the second edition of 'Corporate Governance Principles and Recommendations' in August 2007 (the **Principles**), which it believes underlie good corporate governance, together with guidelines to satisfy those core principles (**Recommendations**). Under ASX listing rules, listed companies are required to provide a statement in their annual reports outlining the extent to which they have followed these best practice guidelines.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

Principle 1 – Lay Solid Foundations for Management and Oversight

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

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

The primary responsibility of the Board includes:

1) formulation and approval of the strategic direction, objectives and goals of the Company;
2) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
3) approving and monitoring financial and other reporting;
4) approving key executives appointments, performance and remunerations, and monitoring and reviewing executives succession planning;
5) ensuring that adequate internal control systems and procedures exists and that compliance with these systems and procedures is maintained;
6) the identification of significant business risks and ensuring that such risks are adequately managed; and
7) the establishment and maintenance of appropriate ethical standards.

The Board has delegated responsibility for operation and administration of the Company to the Chairman, who operates in an executive capacity, supported by two executive Directors and professional staffs.

The Chairman reviews the performance of all Directors and senior executives annually. The Company is continuing to develop its Board and executive evaluation processes. At this stage, there is no formal policy or charter in place.

The Company has not yet issued formal letters of appointment to its Directors. This is a departure form Recommendation 1.1, but is being addressed.

The constitution of the Company provides that a Director other than the Managing Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

Principle 2 – Structure of the Board to Add Value

There are three non-executive Directors on the Board at this time.

The composition of the Board is determined using the following principles:

1) the Board will be of a size to assist in efficient decision making;
2) the Board should comprise at least three Directors. This number may be increased where it is considered that additional expertise is required in specific areas, or when an outstanding candidate is identified; and
3) the Board should comprise Directors with a broad range of expertise, skills and experience from a diverse range of backgrounds including sufficient skills and experience appropriate to the Company's business.

The Company is satisfied that the Board's current composition and the policies that it has in place ensures that the Directors bring independent judgments to bear on Board decisions, including the Directors' ability to access independent professional advice at the Company's expense.

The Chairman is a non-executive Director. The Chairman also performs the functions of the Chief Executive Officer. This is a departure from Recommendation 2.3, which requires the role of the Chair and the Chief Executive Officer not to be exercised by the same person.

The process for appointing a Director is that, when a vacancy exists, or where it is considered that the Board would benefit from the services of a new Director with particular skills, a panel of candidates is selected with the appropriate expertise and experience. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, and the ability to undertake and contribute to the Board's duties and responsibilities. External advisers may be used to assist in assessing a candidate. The Board then appoints the most suitable candidate who must stand for election at the next annual general meeting of the Company.

The fact that the Company does not have a nomination committee is a departure from Recommendation 2.4. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to the process and that the Board itself is the appropriate forum to deal with this function. The procedures for appointing Board members and assessing their performance and remuneration are described above.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. As the Company does not have any committees, there is no process for evaluating the performance of its committees. This is a departure from Recommendation 2.5, which requires companies to disclose the process for evaluating the performance of the Board, its committees and individual Directors.

The skills, experience, expertise and commencement dates of the Directors are set out in the Directors' Report.

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. Prior approval of the Managing Director is required, which will not be unreasonably withheld.

Due to the small size of the Board and staff members and current operations of the Company, the Board has considered that establishing formally constituted nomination committee would contribute little to its effective management. Accordingly, the nomination of new Directors and the setting, or review, of remuneration levels of Directors and senior executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest).

The Company has an informal process to educate new Directors and senior executives about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors.

Directors and senior executives are encouraged to undertake continuing professional education to update and enhance their skills and knowledge.

Board members have complete and open access to management.

The Company Secretary provides advice and support to the Board and is responsible for the Company's day-to-day governance framework.

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other Boards.

Principle 3 – Promote Ethical and Responsible Decision-Making

The Company has a written Code of Conduct which sets out minimum standards necessary to guide executives, management and employees in carrying out their duties and responsibilities.

The Company's Code of Conduct can be viewed on its website (www.datamotion.asia).

Directors and employees are subject to the *Corporations Act 2001* restrictions on applying for, acquiring and disposing of securities in, or other relevant financial products of, the Company if they are in possession of inside information. Inside information is that information which is not generally available and which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities in, or other relevant financial products of, the Company.

The Company has an established policy relating to trading in the Company's securities by Directors and employees. The policy provides that Directors and employees are not to deal in the securities of the Company during the period of 24 hours prior to the release of annual or half-yearly results announcements and within the period of 24 hours prior to the issue of a prospectus. Directors and employees are further required to notify their intention to trade in the Company's securities prior to trading.

The Company's Share Trading Policy can be viewed on its website (www.datamotion.asia).

Principle 4 – Safeguard Integrity in Financial Reporting

The fact that the Company does not have an audit committee is a departure from Recommendations 4.1, 4.2 and 4.3. Due to the Company's size, nature and extent of operations, the Company has departed from these recommendations. The Board believes that, within the number of Directors on the Board, the Board itself is the appropriate forum to deal with this function.

In late 2006, the Board reviewed the appointment of the external auditor and conducted a tender process for the appointment of the external auditor. As a result, the Company sought and obtained shareholder approval and appointed its external auditor as Grant Thornton Chartered Accountants. The external auditor attends the annual general meeting and has regular contact with management and Directors in accounting and regulatory issues.

The external auditor is rotated in accordance with the *Corporations Act 2001* and the new appointment is subject to tender at that time.

Principle 5 – Make Timely and Balanced Disclosure

The Board is acutely aware of the continuous disclosure regime and there are robust systems in place to ensure compliance, underpinned by experience. The Company's policy is that shareholders are informed of all major developments that impact the Company. There is a detailed disclosure policy in place to ensure that it is in compliance with its ASX Listing Rule disclosure requirements. This policy includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX and posting them on the Company's website (www.datamotion.asia).

The Company's Continuous Disclosure Policy is available on its website (www.datamotion.asia).

Principle 6 – Respect the Rights of Shareholders

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Company and the Directors and to encourage their attendance at general meetings. The Company's policy is to ensure that information is communicated to shareholders and the market through:

1) the Annual Report which is distributed to all shareholders;
2) other periodic reports which are lodged with ASX and available for shareholder scrutiny;
3) other announcements made in accordance with ASX Listing Rules;
4) special purpose information memoranda issued to shareholders as appropriate; and
5) the annual general meeting and other meetings called to obtain approval for Board action as appropriate.

All announcements are made available on the Company's website as soon as the announcements have been released to the market by ASX. In addition, shareholders who lodge their email contact details with the Company can also receive an emailed copy of all ASX announcements.

The Company's Communications Policy can be viewed on its website (www.datamotion.asia).

Principle 7 – Recognise and Manage Risk

The Board is responsible for assessing, monitoring and managing operational, financial reporting and compliance risks for the Company. Financial reporting risk management and associated compliance and controls are monitored and found to be operating efficiently and effectively.

The Company does not have formalised policies for the oversight and management of material business risks as required under Recommendation 7.1

The Board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing theses risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees.

The Company has instigated internal procedures designed to provide reasonable assurance as to the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations.

The Company requires that the Chairman and Chief Financial Officer (or equivalent) state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

The Board has received assurance from the Chairman and the non-executive Director that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received a report from management on the effectiveness of the Company's management of its material business risks and receives weekly financial and operational reports.

The Directors regard the confidentiality of customer information as highly important. All Directors and employees have entered into Confidentiality & Non Disclosure Agreements with the Company.

Principle 8 – Remunerate Fairly and Responsibly

The fact that the Company does not have a remuneration committee is a departure from Recommendation 8.1. The Company does not consider it appropriate to have a sub-committee of the Board to consider remuneration matters. The procedures for determining the remuneration of the Company's Directors are described in the Directors' Report. Acting in its ordinary capacity, the Board from time to time carries out the process of considering and determining performance issues, including the identification of matters that may have a material effect on the price of the Company's securities. Whenever relevant, any such matters are reported to the ASX.

Remuneration and other terms of employment of executives, including executive Directors, are reviewed periodically by the Board having regard to performance, relevant comparative information and, where necessary, independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations. Where the remuneration of a particular executive Director is to be considered, the Director concerned does not participate in the discussion or decision-making.

The remuneration policy for the Board and the remuneration of each Director is set out in the remuneration report which forms part of the Directors' Report.

A summary of the Company's policy on prohibiting transactions in associated products which limit risk of participating in unvested entitlements under any equity-based remuneration schemes can be viewed in the Company's Share Trading Policy on its website (www.datamotion.asia).

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