THE SWISH GROUP LIMITED

ABN 93 085 545 973

AND CONTROLLED ENTITIES

(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)

PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009
PROVIDED TO THE ASX UNDER LISTING RULE 4.3A

THE SWISH GROUP LIMITED
ABN 93 085 545 973
AND CONTROLLED ENTITIES
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)

Appendix 4E

Preliminary final report
For year ended 30 June 2009
(Comparative period: year ended 30 June 2008)

Results for announcement to the market

		% Change		$
Revenues from ordinary activities *(item 2.1)*	Up	52%	to	11,322,551
Loss from ordinary activities after tax attributable to members *(item 2.2)*	Up	116%	to	(3,819,190)
Net loss attributable to members *(item 2.3)*	Up	116%	to	(3,819,190)

Dividends (distributions) *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend	Nil ¢	Nil ¢
Final dividend	Nil ¢	Nil ¢

Record date for determining entitlements to the dividends *(item 2.5)*	Not applicable

OTHER INFORMATION

A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood (Item 2.6)

OPERATING AND FINANCIAL REVIEW

Group overview

During the financial year the Company operated one of Australia's largest digital signage networks in medical centres, hospitals and pharmacies throughout Australia, it was one of Australia's largest wholesalers of independent digital music to online music retailers and telecommunication companies, had a significant film and television production and distribution business and a significant sales and marketing business. The Company's principal divisions were Digital Media, Film Production and Distribution and Marketing and Sales Services.

Results

Total revenue for the year ended 30 June 2009 was $11.3m (2008: $7.4m). During the year Swish Group acquired the sales and marketing businesses of VBS Australia and WeConnect. The Group's primary focus during the year was on its digital media, film production and sales and marketing businesses.

Earnings before interest, tax, depreciation and amortisation and impairment (**EBITDA**) were a loss of $2.5m (2008: loss $1.7m). Depreciation was $0.2m (2008: $0.1m). The consolidated entity incurred a net loss of $3.8m in the year ended 30 June 2009 (2008: loss $1.8m).

	Note	**Consolidated 2009**	Consolidated 2008
Earnings per share			
Basic earnings/(loss) per share (cents)	8	**(0.5)**	(0.3)
Diluted earnings/(loss) per share (cents)	8	**(0.5)**	(0.3)

Financial position

Net liabilities at 30 June 2009 were $2.3m (2008: net liabilities $0.1m).

Receivables were $0.6m as at 30 June 2009 (2008: $0.8m).

The Company had $0.4m net book value of plant and equipment as at 30 June 2009 (2008: $0.2m). As at 30 June 2009 the Company had $nil (2008: $0.9m) intangible assets.

Payables were $2.7m at 30 June 2009 (2008: $1.9m). The Company had borrowings of $0.5m as at 30 June 2009 (2008: $0.1m).

The Company had undrawn available facilities of $4.5m at 30 June 2009 subject to the terms and conditions as set out in Note 9 in the attached financial report.

Cash flows

The consolidated entity incurred net operating cash outflows of $1.3m during the year ended 30 June 2009 (2008: net outflow $1.4m). Net investing cash outflows were $0.2m in the year ended 30 June 2009 (2008: net inflow $0.1m).

Net financing cash inflows were $1.4m (2008: net inflow $1.4m) in the year ended 30 June 2009, including $1.4m proceeds from equity capital raisings. Because the Company's digital media businesses were still being commercialised the Company's income for the year ended 30 June 2009 was insufficient, on its own, to service its operating expenses. Accordingly, the Company undertook capital raisings, including a rights issue during the year to fund the continuing development of its businesses. During the financial year the Company, took out new borrowings of $0.6m, repaid borrowings of $0.4m and incurred capital raising costs of $0.2m.

There was a cash balance at 30 June 2009 of $8,585 (2008: cash $0.1m).

Segment results

The Company operates in the digital media and sales and marketing sectors within Australia. During the financial year ended 30 June 2009 it also produced two feature films in the USA.

A review of the operations of the consolidated entity during the financial year and the results of those operations are as follows:

Digital Media

Swish Digital Signage produced specially designed entertainment, information and advertising programmes for retail outlets, medical centres, hospitals and pharmacies. Swish Group owned and operated the Good Health Television, and Pharmacy TV digital signage networks. Swish Amphead operated one of Australia's largest independent wholesalers of online digital music and video content. The Company also acquired an Internet TV business, subsequently renamed Swish TV.

Film Production

The Company produced a variety of digital audio and video content including the Company's digital signage programmes and provided digital production services to the film, television and advertising industries. The Company line produced a number of Indian/Bollywood feature films in Australia and the USA.

Sales and Marketing Services

The Company provided sales and marketing services for a number of leading telecommunications, energy and other organisations.

OUTLOOK

The Company was suspended from the official list of the Australian Stock Exchange Limited ("**ASX**") on 27 August 2009, when, pursuant to a resolution of the Board of Directors, Mr. Richard Cauchi and Mr. David Lofthouse of CJL Partners were appointed as Voluntary Administrators of the Company.

On 17 December 2009 the Administrator entered an agreement to enable the recapitalisation and re-quotation of the Company's shares on ASX, subject to shareholder approval. In addition to recapitalising Swish Group, the proposal provides for the recapitalisation of each of the Company's nine subsidiaries that were also placed into Voluntary Administration at the same time as Swish Group and the conditional acquisition of online Internet advertising and search business Planet W Pty Ltd. The Board is not yet in a position to give an accurate forecast of revenue and profitability for the financial year ending 30 June 2010.

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)

APPENDIX 4E PRELIMINARY FINAL REPORT

NET TANGIBLE ASSET BACKING PER SECURITY

Net tangible asset backing per ordinary security at 30 June 2009 was 0.0 cents (2008: 0.0 cents).

STATUS OF AUDIT

The signed, audited financial report is attached.

CORPORATE INFORMATION

DIRECTORS

Andrew Plympton (Non-Executive Chairman)
Dean Jones (Managing Director)
Cary Stynes (Executive Director) LLB (Melb) MAICD
Damian London (Executive Director)
Stephen Layton (Resigned 17 December 2009)
Gary Mackenzie (Resigned 17 December 2009)
William (Bill) Graham (Resigned 9 February 2010)

COMPANY SECRETARY

Cary Stynes LLB (Melb) MAICD

REGISTERED OFFICE

Level 9
1 Queens Road
Melbourne Victoria 3004

AUDITORS

Ernst & Young
8 Exhibition Street
Melbourne Victoria 3000

BANKERS

National Australia Bank Limited
Level 2
424 St Kilda Road
Melbourne   Vic   3004

SHARE REGISTRY

Computershare Registry Services
GPO Box 242
Melbourne Victoria 3001

Tel: 1300 137 328

STOCK EXCHANGE LISTING

The Swish Group Limited's ordinary shares are quoted on the Australian Stock Exchange Limited.
(Stock Code: SWG) (Currently suspended)

STATE OF INCORPORATION

Victoria

THE SWISH GROUP LIMITED
ABN 93 085 545 973
AND CONTROLLED ENTITIES
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2009

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2009

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THE SWISH GROUP LIMITED
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
CHAIRMAN'S LETTER

Dear Shareholder,

I have pleasure in enclosing the Annual Report for The Swish Group Limited (**"Swish Group"**) (Subject to Deed of Company Arrangement) and its controlled entities for the financial year ended 30 June 2009.

The Company was suspended from the official list of the Australian Stock Exchange Limited ("**ASX**") on 27 August 2009, when, pursuant to a resolution of the Board of Directors, Richard Cauchi and David Lofthouse of CJL Partners were appointed as Voluntary Administrators of the Company.

On 17 December 2009 the Company announced an agreement to enable the recapitalisation and re-quotation of the Company's shares on ASX. In addition to recapitalising Swish Group, the proposal provides for the recapitalisation of each of the Company's nine subsidiaries that were also placed into Voluntary Administration at the same time as Swish Group and the conditional acquisition of online Internet advertising and search business Planet W Pty Ltd.

The agreement with the Voluntary Administrators provides for a payout to employees and creditors in both cash and shares in the Company and that further funding will be available to the Company (subject to shareholder approval) through a proposed capital raising to be conducted in April/May 2010.

The proposal provides, inter alia, the following:

1. That the Deed Administrators will be paid the sum of $450,000 in cash on behalf of all creditors. The payment of that sum was contingent upon creditor's approval of the terms of the Deed, which was obtained on 2 December 2009 and shareholders' approval of the transaction and various consequential resolutions to be sought at a shareholders meeting to be held in April 2010.

2. That in addition to the cash sum, the Company will issue to the Deed Administrators, or an entity nominated by them, on behalf of creditors, 100,000,000 fully paid ordinary shares at an issue price of $0.001 cents (or such other number of shares in the event of a consolidation of the share capital of Company). Those shares to be held in escrow by the Deed Administrators, on behalf of the creditors, for a period of ninety (90) days from the date of the issue of the shares. The Company has also procured a guarantee in favour of the Deed Administrators that provides that the Deed Administrators will receive a minimum of $100,000 for those shares in the event that they are not able to sell those shares at the end of the escrow period.

In addition it is proposed that the Company will seek shareholder approval to raise up to $1,750,000 through the issue of up to 1,750,000,000 fully paid ordinary shares at an issue price of $0.001 cents per share and approval to acquire the business and assets of Planet W Pty Ltd for the sum of $1,200,000 to be paid through the issue by the Company of 1,200,000,000 fully paid ordinary shares at $0.001 cents. The proposed acquisition also includes an incentive component for the vendors of that business, of up to $300,000, in the event that Planet W Pty Ltd achieves an audited earnings before interest, tax, depreciation and amortisation (EBITDA) profit of $600,000 (pro forma) in the 2010 financial year.

The agreement is subject to all necessary ASX, ASIC and any other required shareholder, regulatory or other necessary approvals being obtained and the re-quotation of the Company's shares on ASX

The financial report in respect of the year ended 30 June 2009 has been prepared on a going concern basis at that date, and amounts have not been restated to reflect the matters subsequent to 30 June 2009 impacting the subsequent financial position of the Company, including the Deed of Company Arrangement. Please refer Note 25 for a discussion of the impact of these matters.

Shareholder approval will be sought at the Annual General Meeting at which, in addition to the ordinary business of the Company, additional resolutions will be put to allow for the recapitalisation of the Company as summarised above. If shareholders approve the resolutions to be put at the Annual General Meeting, the Directors then propose to seek approval from ASX for the reinstatement of quotation of the Company's securities on ASX.

The Directors believe the Company has an exciting future and that once the reorganisation and recapitalisation of the Company has been completed, there will be sufficient funds available for the future development of the Company's digital media businesses.

Yours faithfully,

Andrew Plympton
Non-Executive Chairman
Melbourne
17 March 2010

THE SWISH GROUP LIMITED
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
CORPORATE DIRECTORY

DIRECTORS

Andrew Plympton (Non-Executive Chairman)
Dean Jones (Managing Director)
Cary Stynes (Executive Director) LLB (Melb) MAICD
Damian London (Executive Director)
Stephen Layton (Resigned 17 December 2009)
Gary Mackenzie (Resigned 17 December 2009)
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STOCK EXCHANGE LISTING

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(Stock Code: SWG) (Currently suspended)

STATE OF INCORPORATION

Victoria

The Directors present their report together with the financial report of the consolidated entity consisting of The Swish Group Limited and the entities it controlled, for the financial year ended 30 June 2009 and independent auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards (IFRS).

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The qualifications, experience and special responsibilities of each person who has been a Director of The Swish Group Limited, together with details of the Company Secretary, during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Name	Particulars
Mr. Andrew Plympton	Non-Executive Chairman Appointed 9 February 2010 Mr. Andrew Plympton was President of St Kilda Football Club from 1993–2001 during which time the club enjoyed improved success advancing to the 1997 Grand Final and its first ever pre-season Premiership in 1996. He has a distinguished business career and brings considerable financial management skills to the Board. He is a past National Secretary and International Governor of International Etchells Association, a Life Member International Etchells Association and a previous World Champion and three times Australian champion in the Etchells class. He is a Member of the General Committee Royal Brighton Yacht Club and a Member of the Clubs Royal Sydney Yacht Squadron, Royal Brighton Yacht Club, Cruising Yacht Club of Australia, Sorrento Couta Boat Club. He was elected to the Australian Olympic Committee Executive in May 2009. He is also Non Executive Chairman of ASX listed Beyond Sportswear International Limited. Mr. Plympton was appointed a Director of the Company in February 2010.
Mr. Dean Jones	Managing Director Appointed 17 December 2009 Mr. Jones brings with him over 20 years experience in marketing and web based businesses having built a number of profitable businesses in the media and technology areas during that period. He co-founded Ansearch Pty Ltd in 2004, a company that was ultimately listed on the ASX and at its peak had a market capitalisation of over $50m when he stepped down as Chief Executive Officer. Since leaving Ansearch, Mr. Jones has worked on developing a range of Internet projects as well as some of the components of the Planet W business. Mr. Jones has particular expertise in marketing and the strategic development of early stage businesses in the information technology field.
Mr. Cary Peter Stynes LL.B (Melb), MAICD	Executive Director and Company Secretary (Previously Managing Director) Appointed 14 January 2003 Mr. Stynes spent six years in senior finance and management roles for a number of international hotel organisations. He spent five years as a commercial lawyer with international law firm Minter Ellison specialising in commercial litigation, insolvency, media, mergers and acquisition and corporate advisory work before establishing Stynes Grant, Lawyers and Business Advisors in 1994. In 1994 he also co-founded Point of Sale Media Pty Ltd, which was subsequently acquired in 1995 by ASX listed Media Entertainment Group Limited. He was appointed to the board of Media Entertainment Group Limited in 1995 and was Managing Director from 1997 until he resigned from the Company in 1999. He was Managing Director of ASX listed Software Communication Group Limited from 2000 to 2001, CBD Energy Limited from 2002 to 2003 a Non Executive Director of ASX listed Traffic Technologies Limited from 2004 to 2009 and MCM entertainment Limited from 2007 to 2008. He was Managing Director of The Swish Group Limited from 2003 to 2009 and has been an Executive Director since 2009. He is also a director of a number of private companies.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

Mr. Damian London	Executive Director Appointed 17 December 2009 Mr. London co-founded Planet W in 2007 and brings with him over 15 years experience in management, software and web development, search engine marketing and online advertising. In 2004 he co-founded Ansearch (later to become Ansearch Ltd) and spent 3 years as Chief Technology Officer and Group Search and Information Technology Manager, during which time he was responsible for the Search Divisions overall business activities including marketing, technology, business development and innovation. Mr. London has a particularly strong technical background in the online search area.
Mr. Gary Mackenzie	Executive Director Appointed 3 April 2009 Resigned 17 December 2009. Mr. Mackenzie is a former Managing Director of one of Australia's largest outsourced direct sales and marketing companies that assisted in securing subscribers for the launch of pay television in Australia through Cable & Wireless/Optus. He launched Blah Records which was one of Australia's largest independent record labels in the late 1990's and early 2000's. Mr. Mackenzie was Chief Executive Officer of the Company's wholly owned subsidiaries, Swish AmpHead and Swish Torque Communications.
Mr. Stephen Layton	Non Executive Director Appointed 16 January 2004 Resigned 17 December 2009. Mr. Layton has 25 years experience in all aspects of stockbroking in the UK and Australia. He became a member of the London Stock Exchange in 1985. He has experience in a number of stockbroking firms including Peake Lands Kirwan Pty Ltd, Bain Securities Ltd, Austock Brokers Pty Ltd and Terrain Securities Pty Ltd. He is currently a Director of Melbourne Capital Limited, a boutique corporate advisory group. He has experience in capital raisings and advises on initial public offerings, seed and secondary market capital raisings, mergers and acquisitions and project and financial valuations.
Mr. William Gerard Graham	Non Executive Director Appointed 21 March 2006 Resigned 9 February 2010 Mr. Graham has an extensive background in accounting and business having founded, developed and subsequently sold technology company NJS Technology Limited. NJS Technology which was established in 1990 held the Intel licence for Australia and was sold in 1995. Mr. Graham is one of Australia's largest and most respected bookmakers having been involved in the racing industry for almost 40 years. Mr. Graham is a former Non Executive Director of ASX-listed Betcorp Limited and is a director of a range of private companies.
Mr. Cary Peter Stynes LL.B (Melb), MAICD	Is also Company Secretary. See details above

The following Directors resigned on 17 December 2009:
Mr. Stephen Layton
Mr. Gary Mackenzie (who was appointed on 3 April 2009)

The following Director resigned on 9 February 2010:
Mr. William Graham

Directors' Meetings

The number of meetings of the Board of Directors held during the financial year and the number of meetings attended by each Director (while they were a Director) were as follows:

	Meetings	
Director	**Eligible to Attend**	**Attended**
Mr. Cary Stynes	9	9
Mr. Stephen Layton	9	9
Mr. William Graham	9	9
Mr. Gary Mackenzie	3	3

Board Committees

During the financial year and as at the date of this report, the Company did not have separately established nomination, audit or remuneration committees (refer Corporate Governance Statement below).

Directors' Interests in Shares and Options of the Company

As at the date of this report, the relevant interests of the Directors in the shares and options of the Company were:

Director	Fully Paid Ordinary Shares	Options
Mr. Andrew Plympton	Nil	Nil
Mr. Dean Jones	Nil	Nil
Mr. Damian London	Nil	Nil
Mr. Cary Stynes	120,605,133[1]	41,485,000

1. Includes shares held by Media Entertainment Pty Ltd in which the director holds a 47.5% interest. In addition shares and options are held by the director individually and his director related entity.

Directors' Interests in Contracts

Directors' interests in contracts are disclosed in note 27 to the financial statements.

EARNINGS PER SHARE

	Cents
Basic earnings/(loss) per share	(0.5)
Diluted earnings/(loss) per share	(0.5)

DIVIDENDS, PAID, RECOMMENDED AND DECLARED

No dividends were paid, declared or recommended since the start of the financial year ended 30 June 2009.

CORPORATE INFORMATION

Corporate structure

The Swish Group Limited is a company limited by shares that is incorporated and domiciled in Australia and listed on the ASX. The Swish Group Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. The Company's subsidiary entities are set out in note 12 to the financial statements.

Nature of operations and principal activities

The consolidated entity's principal activities in the course of the financial year were in the area of digital signage, digital music, film and television production and distribution and marketing and sales services. There was no significant change in the nature of these activities during the financial year.

Employees

The consolidated entity employed 65 employees as at 30 June 2009 (2008: 48 employees).

OPERATING AND FINANCIAL REVIEW

Group overview

Swish Group was listed on ASX in 1999. During the financial year the Company operated one of Australia's largest digital signage networks in medical centres, hospitals and pharmacies throughout Australia, it was one of Australia's largest wholesalers of independent digital music to online music retailers and telecommunication companies, had a significant film and television production and distribution business and a significant sales and marketing business. The Company's principal divisions were Digital Media, Film Production and Distribution and Marketing and Sales Services.

The Company was suspended from the official list of the Australian Stock Exchange Limited ("**ASX**") on 27 August 2009, when, pursuant to a resolution of the Board of Directors, Mr. Richard Cauchi and Mr. David Lofthouse of CJL Partners were appointed as Voluntary Administrators of the Company. On 17 December 2009 the Administrator entered into an agreement to enable the recapitalisation and re-quotation of the Company's shares on ASX, subject to certain shareholder approvals being obtained. In addition to recapitalising Swish Group, the proposal provides for the recapitalisation of each of the Company's nine subsidiaries that were also placed into Voluntary Administration at the same time as Swish Group and the conditional acquisition of online Internet advertising and search business Planet W Pty Ltd.

Review of operations

A review of the operations of the consolidated entity during the financial year and the results of those operations are as follows:

Digital Media

Swish Digital Signage produced specially designed entertainment, information and advertising programmes for retail outlets, medical centres, hospitals and pharmacies. Swish Group owned and operated the Good Health Television, and Pharmacy TV digital signage networks. Swish Amphead operated one of Australia's largest independent wholesalers of online digital music and video content. The Company also acquired an Internet TV business, subsequently renamed Swish TV.

Film Production

The Company produced a variety of digital audio and video content including the Company's digital signage programmes and provided digital production services to the film, television and advertising industries. The Company line produced a number of Indian/Bollywood feature films in Australia and the USA.

Sales and Marketing Services

The Company provided sales and marketing services for a number of leading telecommunications, energy and other organisations.

OPERATING AND FINANCIAL REVIEW (Continued)

Results

Total revenue for the year ended 30 June 2009 was $11.3m (2008: $7.4m). During the year Swish Group acquired the sales and marketing businesses of VBS Australia and WeConnect. The Group's primary focus during the year was on its digital media, film production and sales and marketing businesses.

Earnings before interest, tax, depreciation and amortisation and impairment (**EBITDA**) were a loss of $2.5m (2008: loss $1.7m). Depreciation was $0.2m (2008: $0.1m). The consolidated entity incurred a net loss of $3.8m in the year ended 30 June 2009 (2008: loss $1.8m).

Financial position

Net liabilities at 30 June 2009 were $2.3m (2008: net liabilities $0.1m).

Receivables were $0.6m as at 30 June 2009 (2008: $0.8m).

The Company had $0.4m net book value of plant and equipment as at 30 June 2009 (2008: $0.2m). As at 30 June 2009 the Company had $nil (2008: $0.9m) intangible assets.

Payables were $2.7m at 30 June 2009 (2008: $1.9m). The Company had borrowings of $0.5m as at 30 June 2009 (2008: $0.1m).

The Company had undrawn available facilities of $4.5m at 30 June 2009 subject to the terms and conditions as set out in Note 9.

Cash flows

The consolidated entity incurred net operating cash outflows of $1.3m during the year ended 30 June 2009 (2008: net outflow $1.4m). Net investing cash outflows were $0.2m in the year ended 30 June 2009 (2008: net inflow $0.1m).

Net financing cash inflows were $1.4m (2008: net inflow $1.4m) in the year ended 30 June 2009, including $1.4m proceeds from equity capital raisings. Because the Company's digital media businesses were still being commercialised the Company's income for the year ended 30 June 2009 was insufficient, on its own, to service its operating expenses. Accordingly, the Company undertook capital raisings, including a rights issue during the year to fund the continuing development of its businesses. During the financial year the Company, took out new borrowings of $0.6m, repaid borrowings of $0.4m and incurred capital raising costs of $0.2m.

There was a cash balance at 30 June 2009 of $8,585 (2008: cash $0.1m).

Likely developments and expected results

On 17 December 2009 the Administrator entered an agreement to enable the recapitalisation and re-quotation of the Company's shares on ASX, subject to shareholder approval. In addition to recapitalising Swish Group, the proposal provides for the recapitalisation of each of the Company's nine subsidiaries that were also placed into Voluntary Administration at the same time as Swish Group and the conditional acquisition of online Internet advertising and search business Planet W Pty Ltd. The Board is not yet in a position to give an accurate forecast of revenue and profitability for the financial year ending 30 June 2010.

RISK MANAGEMENT

The Board takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The Company believes that it is crucial for all Board members to be a part of this process and, as such, the Board has not established a separate risk management committee.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 7 July 2008 the Company issued 11,574,028 shares at 0.72 cents per share in respect of conversion of convertible notes to equity of $83,333.

On 2 September 2008 the Company completed a placement of 29,875,000 shares to sophisticated investors at 0.80 cents per share raising $239,000 to provide working capital and to finance potential acquisitions; the Company completed a placement of 20,000,000 shares to directors at 0.80 cents per share raising $160,000; the Company issued 13,020,937 shares at 0.64 cents per share in respect of conversion of convertible notes to equity of $83,334; the Company issued 6,250,000 shares to sophisticated investors at 0.80 cents per share to pay a debt facility fee of $50,000; the Company issued 8,458,250 shares to a vendor of a previously acquired business at 0.80 cents per share to pay deferred purchase consideration of $67,666.

On 2 March 2009 the Company issued 16,000,000 shares to vendors at 0.5 cents per share raising $80,000 as purchase consideration for businesses acquired by the Company.

On 20 March 2009 the Company completed a placement of 64,500,000 shares to sophisticated investors at 0.2 cents per share raising $129,000 to provide working capital and to finance potential acquisitions.

On 14 May 2009 the Company completed a rights issue of 427,891,535 shares to shareholders at 0.2 cents per share raising $855,783.

Transaction costs of $181,220 (2008: $60,000) were incurred in respect of these equity issues.

AFTER BALANCE DATE EVENTS

The following are significant matters which have arisen post 30 June 2009 that may affect the consolidated entity in financial periods subsequent to 30 June 2009:

The Company was suspended from the official list of the Australian Stock Exchange Limited ("**ASX**") on 27 August 2009, when, pursuant to a resolution of the Board of Directors, Richard Cauchi and David Lofthouse of CJL Partners were appointed as administrators of the Company. On 17 December 2009 the Administrator entered an agreement to enable the recapitalisation and re-quotation of the Company's shares on ASX, subject to shareholder approval. In addition to recapitalising Swish Group, the proposal provides for the recapitalisation of each of the Company's nine subsidiaries that were also placed into Voluntary Administration at the same time as Swish Group, in late August 2009, and the conditional acquisition of online Internet advertising and search business Planet W Pty Ltd.

The financial effects of the above transactions have not been brought to account at 30 June 2009, as these occurred subsequent to year end, and did not impact matters accounted for at 30 June 2009. The financial statements have been prepared on a going concern basis. The financial effect of the voluntary administration and subsequent Deed of Company Arrangement will result in significant changes in the financial position of the Swish Group, together with the results of operations from 1 July 2009 to the time of the administration. These matters impact subsequent financial reporting periods to the year ended 30 June 2009, and the impact of these matters has yet to be fully assessed and accounted for.

As a result of the administration and the subsequent entry by the Company into a Deed of Company Arrangement, at the date of this Report, it is known that the carrying values of certain assets and liabilities as stated in the financial statements, whilst fairly stated at 30 June 2009, were not subsequently received or settled, as a result of the entry by the Group into administration on 27 August 2009 and subsequent entry into a Deed of Company Arrangement announced on 17 December 2009.

These events have resulted in the following impacts on the assets and liabilities of the Group at 27 August 2009:

- Subsequent to year end, certain trade and other receivables, inventories, and plant and equipment on hand at 27 August 2009, including certain assets that also existed at 30 June 2009, became uncertain of recovery; and
- Any trade and other payables, interest-bearing liabilities, and employee entitlements at 30 June 2009 remaining outstanding at 27 August 2009, including those not settled since 30 June 2009, will be settled subject to the terms of the Deed of Company Arrangement.

The ultimate recovery of assets, and receipt of funds allowed for under the Deed of Company Arrangement, and the distribution of those funds to secured and unsecured creditors of the Group is to be performed under instruction of David J Lofthouse and Richard J Cauchi of CJL Partners, Joint and Several Administrators of the Deed of Company Arrangement.

The agreement with the Voluntary Administrators provides for a payout to employees and creditors in both cash and shares in the Company and that further funding will be available to the Company (subject to shareholder approval) through a proposed capital raising to be conducted in April/May 2010.

The proposal provides, inter alia, the following:

- That the Deed Administrators will be paid the sum of $450,000 in cash on behalf of all creditors. The payment of that sum was contingent upon creditor's approval of the terms of the Deed, which was obtained on 2 December 2009 and shareholders' approval of the transaction and various consequential resolutions to be sought at a shareholders meeting to be held in April 2010.

- That in addition to the cash sum, the Company will issue to the Deed Administrators, or an entity nominated by them, on behalf of creditors, 100,000,000 fully paid ordinary shares at an issue price of $0.001 cents (or such other number of shares in the event of a consolidation of the share capital of Company). Those shares to be held in escrow by the Deed Administrators, on behalf of the creditors, for a period of ninety (90) days from the date of the issue of the shares. The Company has also procured a guarantee in favour of the Deed Administrators that provides that the Deed Administrators will receive a minimum of $100,000 for those shares in the event that they are not able to sell those shares at the end of the escrow period.

In addition the Directors have proposed that the Company will seek shareholder approval to raise up to $1,750,000 through the issue of up to 1,750,000,000 fully paid ordinary shares at an issue price of $0.001 cents per share and approval to acquire the business and assets of Planet W Pty Ltd for the sum of $1,200,000 to be paid through the issue by the Company of 1,200,000,000 fully paid ordinary shares at $0.001 cents. The proposed acquisition also includes an incentive component for the vendors of that business, of up to $300,000, in the event that Planet W Pty Ltd achieves an audited earnings before interest, tax, depreciation and amortisation (EBITDA) profit of $600,000 (pro forma) in the 2010 financial year.

The agreement is subject to all necessary ASX, ASIC and any other required shareholder, regulatory or other necessary approvals being obtained and the re-quotation of the Company's shares on ASX. These events have not fully occurred at the date of this report.

The Company has announced that Shareholder approval will be sought at the Annual General Meeting at which, in addition to the ordinary business of the Company, additional resolutions will be put to allow for the recapitalisation of the Company as summarised above. If shareholders approve the resolutions to be put at the Annual General Meeting, the Directors have stated they will seek approval from ASX for the reinstatement of quotation of the Company's securities on ASX.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant Commonwealth or State environmental regulations or laws.

SHARE OPTIONS

A total of 8,600,000 options lapsed during the financial year. No options were issued during the financial year and no options have been issued since 30 June 2009. No options have been exercised during the financial year ended 30 June 2009 and until the date of this report. As at the date of this report, there were 280,702,342 options outstanding. Refer to note 18 of the financial statements and the Remuneration Report for further details of options outstanding.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid during or since the end of the financial year for any Directors, officers or auditors of the consolidated entity.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for Directors and executives of the Company.

Remuneration policy

The performance of the Company depends upon the quality of its Directors and executives. To be successful, the Company must attract, motivate and retain highly skilled Directors and executives. To this end, the Company seeks to provide competitive rewards to attract high calibre executives. The Board of Directors is responsible for determining and reviewing remuneration arrangements for the Directors, the Managing Director and the executive team. The Board of Directors assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration committee

In view of the size of the Company, the Company does not have a separately established remuneration committee.

Remuneration structure

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

Executive Director and senior manager remuneration

Objective

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

- Reward executives for Company and individual performance;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure

Currently remuneration is paid in the form of cash remuneration, superannuation contributions and share options where applicable. Further details of the remuneration of the Directors and Key Management Personnel are provided in note 27 to the financial statements.

Group Performance

The Company's remuneration policy is not currently directly related to Company performance. The Company paid no bonuses during the financial year ended 30 June 2009.

The market capitalisation of the company in the past four financial years is shown as follows:
30 June 2005: $6.856m
30 June 2006: $5.025m
30 June 2007: $5.653m
30 June 2008: $7.547m

At 30 June 2009 the market capitalisation of the company was $6.418m

No dividends have been paid during the past five year period outlined above.

REMUNERATION REPORT (Audited) (Cont)

Share options

All Directors and employees have the opportunity to qualify for participation in the Company Share Option Plan. The issue of options under this plan is at the discretion of the Board and is not currently based on Company performance. Options are used by the Company as a non-cash form of remuneration and have the objective of aligning employee interests with the objective of increasing shareholder wealth. Any issue of options under the plan to Directors is subject to shareholder approval. No options were granted as part of Directors' remuneration during the year ended 30 June 2009 (2008: nil). Details regarding the issue of share options under the Company Share Option Plan to Directors during the year are provided in note 18 to the financial statements. No options were issued to executives or staff during the year ended 30 June 2009 (2008: 16,100,000).

Employment contracts

The Managing Director during the year ended 30 June 2009 had a formal service agreement with the Company. Other staff are employed on contracts which are generally terminable on either party giving between one week and one month's written notice. Any options not exercised are forfeited if not exercised within 28 days of termination of employment.

Non-Executive Director remuneration

The Company's constitution provides that the total amount of remuneration provided to all non-executive Directors must not exceed an amount set by the Company in general meeting.

Director's remuneration

Details of the nature and amount of each element of the emoluments of each Director of the Company for the financial year ended 30 June 2009 are as follows:

	Short-Term		Post Employment	Share Based Payment	Long-term	Performance Related	
Name	**Base Salary $**	**Director's Fees $**	**Superannuation Contributions $**	**Value of Options Granted $**	**Long Service Leave $**	**%**	**Total $**
2009							
Mr. Cary Stynes Managing Director	$299,750	-	-	-	-	-	$299,750
Mr. Gary Mackenzie Exec Director	$178,986	-	-	-	-	-	$178,986
Mr. Stephen Layton Non Executive	-	$36,000	-	-	-	-	$36,000
Mr. William Graham Non Executive	-	$36,000	-	-	-	-	$36,000
Total	$478,736	$72,000	-	-	-	-	$550,736
2008							
Mr. Cary Stynes Managing Director	$291,271	-	-	-	-	-	$291,271
Mr. Stephen Layton Non Executive	-	$36,000	-	-	-	-	$36,000
Mr. William Graham Non Executive	-	$36,000	-	-	-	-	$36,000
Total	$291,271	$72,000	-	-	-	-	$363,271

Mr. Stynes' salary included $175,275 (2008: $182,683) of accrued emoluments not paid to him during the financial year. Non-executive director fees of $36,000 were accrued during the financial year but not paid to each of Mr. Layton and Mr. Graham.

REMUNERATION REPORT (Audited) (Cont)

Executives

Details of the nature and amount of each element of the emoluments of each Key Management Personnel of the Company for the financial year ended 30 June 2009 are as follows:

Name	Short Term Base Salary $	Post Employment Superannuation Contributions $	Share Based Payment Number of Options Granted No.	Share Based Payment Value of Options Granted $	Performance Related %	Total $
2009						
Mr. Peter Crafter Financial Consultant	$40,000	$3,600	-	-	-	$43,600
Mr. Marcus Georgiades Digital Production Manager	$132,145	-	-	-	-	$132,145
Mr. Mark Ainsworth	$7,212	$649	-	-	-	$7,861
Mr. Paul Ainsworth	$7,212	$649	-	-	-	$7,861
Total	$186,569	$4,898	-	-	-	$191,467

Name	Short term Base Salary $	Post Employment Superannuation Contributions $	Share Based Payment Number of Options Granted No.	Share Based Payment Value of Options Granted $	Performance Related %	Total $
2008						
Mr. Peter Crafter Company Secretary	$40,000	$3,600	2,000,000	$706	-	$44,306
Mr. Gary Mackenzie Digital Music and Telecommunications Services Manager	$133,578	-	2,000,000	$706	-	$134,284
Mr. Marcus Georgiades Digital Production Manager	$173,543	-	1,000,000	$353	-	$173,896
Mr. Craig Harris Brand Management Services Manager	$193,600	-	1,000,000	$353	-	$193,953
Total	$540,721	$3,600	6,000,000	$2,118		$546,439

Options

No options were granted as part of Directors' remuneration during the year ended 30 June 2009 (2008: Nil). Mr. Stynes was issued with a total of 6,000,000 options following shareholder approval at the Company's AGM on 29 November 2006, of which 2,000,000 Options are exercisable at 2 cents per share vesting on 1 December 2006, and expiring on 30 November 2011, 2,000,000 Options exercisable at 3 cents per Share vesting on 1 December 2006, and expiring on 30 November 2011 and 2,000,000 Options exercisable at 4 cents per Share vesting on 1 December 2006, and expiring on 30 November 2011. Each of Mr. Layton and Mr. Graham were issued with 2,000,000 options following shareholder approval at the Company's AGM on 29 November 2006. The options vested on 1 December 2006, expire on 30 November 2011 and have an exercise price of 2 cents per share. None of the options are subject to any performance conditions. The purpose of the option issue was to incentivise the Directors.

No options were issued to executives or staff during the year ended 30 June 2009 (2008: 16,100,000).

The purpose of prior period option issues to executives was to incentivise executives. None of the options are subject to any performance conditions. Options vested on the date they were granted.

Fair value of options

No options were issued to staff in the financial year ended 30 June 2009 (2008: 16,100,000 options were issued to staff). The fair value of each option has been estimated at the date of grant using the Binomial option-pricing model with the following weighted average assumptions used:

	2009	2008
Dividend yield	None issued	Nil
Expected volatility	None issued	50%
Risk-free interest rate	None issued	6.430%
Expected life of option	None issued	3.0 years

The dividend yield reflects the assumption that no dividends will be paid by the Company for the foreseeable future. The expected life of the options is based on the term of the options and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. All options issued to date have vested. Refer to note 18 of the financial statements for further details.

All options are vested as at the date of grant.

TAX CONSOLIDATION

The Company and its subsidiaries have not as at the date of this report elected to form a tax consolidated group.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of an auditor's independence declaration in relation to the audit for the financial year is provided with this report.

NON-AUDIT SERVICES

The auditor, Ernst & Young, did not provide any non-audit services to the Company during the financial year ended 30 June 2009.

Signed in accordance with a resolution of the Directors.

Andrew Plympton
Non Executive Chairman

Melbourne
17 March 2010

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Auditor's Independence Declaration to the Directors of The Swish Group Limited

In relation to our audit of the financial report of The Swish Group Limited for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Robert J Dalton
Partner
17 March 2010

THE SWISH GROUP LIMITED
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
CORPORATE GOVERNANCE STATEMENT

The Board of Directors of The Swish Group Limited is responsible for the corporate governance of the consolidated entity. 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.

The Board of Directors has implemented the Best Practice Recommendations of the ASX Corporate Governance Council to the extent appropriate for the size and nature of the Company's business as described below. References contained in this Corporate Governance Statement are to the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" 2nd Edition. The Corporate Governance Statement must contain specific information and also report on the Company's adoption of the Council's best practice recommendations on an exception basis, whereby disclosure is required of any recommendations that have not been adopted by the Company, together with the reasons why they have not been adopted. The Company's corporate governance practices were in place throughout the year ended 30 June 2009.

Board Functions

The Board has been structured to ensure that an appropriate mix of experience and expertise is available to provide strategic guidance for the Company and effective oversight of management.

The Board acts on behalf of and is accountable to shareholders. The Board seeks to identify the expectations of shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. In accordance with Recommendation 1.1, the functions reserved to the Board are as follows:

- Approving and periodically reviewing the business and financial objectives and strategies and plans of the Company;
- Monitoring the financial performance of the Company, including approval of the Company's financial statements;
- Ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- Identifying areas of significant business or financial risk to the Company and ensuring management takes appropriate action to manage those risks;
- Reviewing the performance and remuneration of Board members and key members of staff;
- Monitoring the operations of the consolidated entity and the performance of management;
- Establishing and maintaining appropriate ethical standards; and
- Reporting to the shareholders, the Australian Securities and Investments Commission and the Australian Stock Exchange as required.

Executive Team

The Board delegates to the Managing Director and the executive team responsibility for the operation and administration of the Company.

The Board delegates to the Managing Director and the executive management team responsibility for the operation and administration of the consolidated entity. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and the executive management team.

Functions delegated to senior executives include:

- Responsibility for the day-to-day management of the Group and each business unit;
- Reporting to the Board to enable the Board to discharge its functions;
- Develop of strategic plans and budgets for approval for the Board;
- Maintaining an adequate system of internal control to ensure that financial and operational information is recorded and managed;
- Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored;
- Ensuring that the Group is in compliance with legal and regulatory requirements; and
- Ensuring that the Group is in compliance with ASX and ASIC reporting and disclosure requirements.

Executive Performance

The performance of the Managing Director is reviewed regularly by the Board during the financial year. The performance of other senior executives is reviewed regularly by the Managing Director during the financial year against the results of the part of the business for which they are responsible.

Structure of the Board

The Directors in office and the term in office held by each Director at the date of this report are as follows:

Name	Position	Term in office
Andrew Plympton	Non-Executive Chairman	1 month
Dean Jones	Managing Director	3 months
Damian London	Executive Director	3 months
Cary Stynes	Executive Director	7 years 2 months
William Graham	Non-Executive Director	3 years 11 months

Skills and Experience of Directors

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

Independence of Directors

Directors are considered to be independent when they are independent of management, are not a substantial shareholder and are free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In the context of Director independence, "materiality" is considered from both the company and individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include where a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the company's loyalty.

Recommendation 2.1 requires that a majority of the Board be independent Directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement. In accordance with this definition, none of the Directors of the Company are considered to be independent, as they are all substantial shareholders in the Company. It is the Company's objective that a majority of independent Directors be appointed in due course.

Chairman and Managing Director Roles

Recommendation 2.2 requires the chair of the Company to be independent. Recommendation 2.3 requires that the roles of the chair and chief executive officer should not be exercised by the same individual. The Company has recently appointed an Independent Non-Executive Chairman.

Election of Directors

The nomination and appointment of new Directors is dealt with by the Board as a whole. If new Directors are appointed by the Board, they are submitted for election by shareholders at the next Annual General Meeting.

The Company's constitution 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 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. All Directors must be elected by the members. It is not a requirement for a person who is a Director to own shares in the Company.

Board Committees

Recommendation 2.4, 4.2 and 9.2 require listed entities to establish nomination, audit and remuneration committees. During the financial year ended 30 June 2009, the Company did not have separately established nomination, audit or remuneration committees. In view of the size of the Company the Board considers that establishing formally constituted committees for board nominations, audit, and remuneration would contribute little to its effective management. Accordingly, the nomination of new Directors, audit matters and the setting and review of remuneration levels of Directors and senior executives are reviewed by the Board as a whole and approved by resolutions of the Board (with abstentions from relevant Directors where there is a conflict of interest). Where the Board considers that particular expertise or information is required, which is not available from within their number, appropriate external advice will be taken and reviewed prior to a final decision being made by the Board.

Professional Advice

The Company provides the capacity for any Director to obtain separate professional advice on any matter being discussed by the Board and for the Company to pay the cost incurred. Before the engagement is made, the Director is required to obtain the Chairman of the Board's approval. Approval will not be unreasonably denied and the Director will be expected to provide the Board with a copy of that advice.

Board Performance

In accordance with Recommendation 2.5, the performance of the Board and individual Directors are evaluated on an ongoing basis by the Board as a whole. During the reporting period, the Board reviewed the performance of each Board member. The performance criteria against which Directors are assessed are aligned with the financial and non-financial objectives of the Company. Directors whose performance is consistently unsatisfactory may be asked to retire.

Ethics

All Directors and officers of the Company are required to discharge their responsibilities ethically and with integrity.

Code of Conduct

The Board has established a code of conduct to guide Board members, executives and employees in carrying out their duties and responsibilities, to guide compliance with legal and other obligations and to maintain confidence in the Company's integrity, as required by Recommendation 3.1. Executives and employees are encouraged to report to Board members any concerns regarding potentially unethical practices.

The Code of Conduct covers matters such as:

- Responsibilities to shareholders and the financial community;
- Responsibilities to clients and customers;
- Commitment to best practice employment procedures; and
- Obligations relative to fair trading and dealing with others in the conduct of the Company's business.

Trading Policy

Dealings are not permitted in the Company's securities at any time when Directors, officers or employees are in the possession of price sensitive information not already available to the market, as required by Recommendation 3.2. In addition, the Corporations Act 2001 prohibits the purchase or sale of securities whilst a person is in possession of inside information and the ASX Listing Rules require disclosure of any trading undertaken by Directors or their related entities in the Company's securities. The Company Secretary must be notified of any trading and must also be provided with confirmation that the trading has occurred. As required by the ASX Listing Rules, the Company notifies the ASX of any transaction conducted by the Directors in the securities of the Company.

Audit Committee

Principle 4 requires listed entities to establish an audit committee. In view of the size of the Company, the Company did not have a separately established audit committee during the financial year ended 30 June 2009. In view of the size of the Company and the Board, the Board considers that establishing a formally constituted audit committee would contribute little to its effective management.

Disclosure Policy

The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance, as required by Recommendation 5.1. All ASX announcements are handled by the Managing Director or Company Secretary and there are requirements within the Company to ensure that the ASX's continuous disclosure requirements are strictly followed and that unauthorised disclosure of price sensitive information is not made other than through the ASX's Company Announcements Office.

Shareholder Communication

The Board recognises the importance of communicating effectively with its shareholders, as required by Recommendation 6.1. Information is communicated to shareholders and the market through:

- The Annual Report which is distributed to shareholders;
- The Annual General Meeting and other shareholder meetings called to obtain approval for Board action as appropriate and required;
- The Half-Yearly Financial Report and Quarterly Cash Flow Statements;
- Other announcements made in accordance with ASX Listing Rules; and
- Information provided on the Company's website www.swishgroup.com.au, including the Company's Annual Report, a link to announcements made to the market and other information for investors.

The Company's reports and ASX announcements may be viewed and downloaded from the ASX website: www.asx.com.au (stock code: SWG).

Participation at Annual General Meetings

The Board encourages full participation of shareholders at Annual General Meetings and other shareholder meetings, to ensure a high level of accountability and identification with the Group's strategy and goals. The external auditor is required to attend the Annual General Meeting of the Company and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report, as required by Recommendation 6.2.

Risk

The Board determines the Company's risk profile and is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The Company believes that it is crucial for all Board members to be a part of this process and, as such, the Board has not established a separate risk management committee.

The Board has established policies on the oversight and management of material business risk, as required by Recommendation 7.1, including risks related to the Company's business operations, financial position, safeguarding its assets and the interests of its stakeholders, including its security holders, employees, customers, suppliers and bankers. The executive Directors are closely involved in the day-to-day management of the Company's operations and, given the current size of the operations of the consolidated entity, are in a position to continually monitor risk with the assistance of the executive team.

In accordance with Recommendation 7.2, the Board has required management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. Management reports to the Board on the effectiveness of the Company's management of its material business risks.

Managing Director Certification

The Managing Director has provided a written statement to the Board 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, as required by Recommendation 7.3.

Remuneration Policy

The Board is responsible for determining and reviewing remuneration arrangements for the Directors themselves, the Managing Director and the executive team.

Executive Remuneration

Executive remuneration is paid in the form of cash remuneration, superannuation contributions and share options where applicable. It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions and their experience and expertise. To assist in achieving this objective, the Board takes account of the Company's financial and operating performance in setting the nature and amount of executive Directors' and executives' remuneration. In relation to the payment of bonuses, options or other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual during the period. The expected outcomes of the remuneration structure are:

- Attraction of quality management to the Company.
- Retention and motivation of key executives.
- Performance incentives which allow executives to share the rewards of the success of the Company.

Remuneration Committee

In view of the size of the Company and the Board, the Company does not have a separately established remuneration committee, as required by Recommendation 8.1.

Further details of the Company's remuneration policy, including details of the amount of remuneration and all monetary and non-monetary components for each of the (non-Director) executives during the year and for each of the Directors, are set out in the Remuneration Report forming part of the Directors' Report in accordance with Recommendation 8.2.

Non-executive Director Remuneration

Non-Executive Directors are not remunerated on the same basis as executives, in accordance with the Guidelines for Non-Executive Recommendation included in Principal 8. The Company's constitution provides that the total amount of remuneration provided to all non-executive Directors must not exceed an amount set by the Company in general meeting. Non-Executive Directors do not receive bonus payments. There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors. The Non-Executive Directors have received options in respect of their services to the Company, although Shareholder approval is required and has been obtained for all equity-based remuneration payable to Board members.

THE SWISH GROUP LIMITED AND CONTROLLED ENTITES
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	**Consolidated 2009 $**	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Revenue	5	**11,322,551**	7,436,071	**1,635,707**	1,552
Cost of sales		**(3,584,263)**	(2,421,470)	**-**	-
Film Production costs		**(4,525,525)**	(2,805,442)	**-**	-
Employee costs	6	**(3,635,915)**	(2,808,465)	**(869,592)**	(503,054)
Administrative expenses	6	**(2,032,212)**	(1,043,911)	**(1,152,415)**	(399,222)
Impairment losses	6	**(1,053,166)**	-	**(2,419,229)**	(1,447,072)
Depreciation expense	6	**(211,768)**	(100,875)	**(17,952)**	(26,592)
Finance costs	6	**(98,892)**	(20,997)	**(80,773)**	(12,646)
Loss before income tax		(3,819,190)	(1,765,089)	(2,805,450)	(2,387,034)
Income tax expense	7	**-**	-	**-**	-
Net loss for the period		**(3,819,190)**	(1,765,089)	**(2,805,450)**	(2,387,034)

Earnings per share

Basic earnings/(loss) per share (cents)	8	**(0.5)**	(0.3)
Diluted earnings/(loss) per share (cents)	8	**(0.5)**	(0.3)

The accompanying notes form part of these financial statements.

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009

	Note	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
ASSETS		**$**	$	**$**	$
Current assets					
Cash and cash equivalents	9	**8,585**	121,703	**4,571**	97,595
Trade and other receivables	10	**601,161**	788,552	**43,719**	42,439
Inventory	11	**65,701**	-	-	-
Total current assets		**675,447**	910,255	**48,290**	140,034
Non-current assets					
Investments	12	-	-	**60,000**	865,500
Plant and equipment	13	**371,886**	460,274	**41,074**	55,991
Intangible assets	14	-	865,500	-	-
Total non-current assets		**371,886**	1,325,774	**101,074**	921,491
TOTAL ASSETS		**1,047,333**	2,236,029	**149,364**	1,061,525
LIABILITIES					
Current liabilities					
Trade and other payables	15	**2,716,890**	1,903,054	**1,056,222**	929,921
Interest-bearing liabilities	16	**481,023**	351,331	**193,995**	99,732
Provisions	17	**155,295**	35,225	**141,053**	35,225
Total current liabilities		**3,353,208**	2,289,610	**1,391,269**	1,064,878
TOTAL LIABILITIES		**3,353,208**	2,289,610	**1,391,269**	1,064,878
NET ASSETS/(DEFICIENCY)		**(2,305,875)**	(53,581)	**(1,241,906)**	(3,353)
EQUITY					
Equity attributable to equity holders of the parent					
Contributed equity	18	**21,842,309**	20,275,413	**21,842,309**	20,275,413
Options granted reserve	20	**57,485**	57,485	**57,485**	57,485
Accumulated losses	19	**(24,205,669)**	(20,386,479)	**(23,141,700)**	(20,336,251)
TOTAL EQUITY		**(2,305,875)**	(53,581)	**(1,241,906)**	(3,353)

The accompanying notes form part of these financial statements.

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
TOTAL EQUITY AT THE BEGINNING OF THE YEAR	**(53,581)**	(362,977)	**(3,353)**	309,196
Loss for the year	**(3,819,190)**	(1,765,089)	**(2,805,450)**	(2,387,034)
Total recognised income and expense for the period	**(3,819,190)**	(1,765,089)	**(2,805,450)**	(2,387,034)
Transactions with equity holders in their capacity as equity holders:				
Shares Issued	**1,748,116**	2,128,800	**1,748,116**	2,128,800
Transaction costs on share issues	**(181,220)**	(60,000)	**(181,220)**	(60,000)
Share Based Payments – Options Granted Reserve	**-**	5,685	**-**	5,685
	1,566,896	2,074,485	**1,566,896**	2,074,485
TOTAL EQUITY AT THE END OF THE YEAR	**(2,305,875)**	(53,581)	**(1,241,906)**	(3,353)

The accompanying notes form part of these financial statements.

THE SWISH GROUP LIMITED AND CONTROLLED ENTITIES
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	**Consolidated 2009 $**	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Cash flows from operating activities					
Receipts from customers		**11,480,937**	6,854,669	**-**	-
Payments to suppliers and employees		**(12,701,624)**	(8,244,463)	**(1,361,791)**	(420,674)
Interest received		**32**	1,636	**10**	1,552
Borrowing costs		**(98,892)**	(20,997)	**(80,773)**	(12,646)
Net cash used in operating activities	9	**(1,319,547)**	(1,409,155)	**(1,442,554)**	(431,768)
Cash flows from investing activities					
Proceeds from sale of plant and equipment		**-**	-	**-**	-
Purchase of plant and equipment		**(101,563)**	(66,491)	**(3,033)**	(46,092)
Purchase of businesses		**(100,000)**	-	**(100,000)**	-
Net cash provided by (used in) investing activities		**(201,563)**	(66,491)	**(103,033)**	(46,092)
Cash flows from financing activities					
Proceeds from share and option issues		**1,383,783**	1,620,000	**1,383,783**	1,620,000
Proceeds from borrowings		**596,235**	404,218	**250,000**	-
Repayment of borrowings		**(390,806)**	(547,183)	**-**	(75,417)
Capital raising costs		**(181,220)**	(90,750)	**(181,220)**	(90,750)
Advances to controlled entities		**-**	-	**-**	(1,049,566)
Net cash provided by (used in) financing activities		**1,407,992**	1,386,285	**1,452,563**	404,267
Net increase/ (decrease) in cash and cash equivalents		**(113,118)**	(89,361)	**(93,024)**	(73,593)
Cash and cash equivalents at beginning of year		**121,703**	211,064	**97,595**	171,188
Cash and cash equivalents at end of year	9	**8,585**	121,703	**4,571**	97,595

The accompanying notes form part of these financial statements.

1. CORPORATE INFORMATION

The financial report of The Swish Group Limited and controlled entities for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 10 March 2010.

The Swish Group Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. At the date of this report, the Company's shares are suspended from trading as a result of the Company entering into Voluntary Administration in August 2009. At the date of this report, the Swish Group is subject to a Deed of Company Arrangement (refer Note 25).

The consolidated entity's principal activities in the course of the financial year were in the area of digital media, including digital signage, online music and video, film and television production and advertising sales and marketing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

The financial report covers The Swish Group Limited as an individual parent entity and The Swish Group Limited and controlled entities as a consolidated entity. The Swish Group Limited is a listed public company, limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared in accordance with the historical cost convention and, except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The financial report is presented in Australian dollars.

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

Comparatives have been restated where appropriate to ensure consistency and comparability with the current period.

(b) Statement of compliance

The financial report The Swish Group Limited and controlled entities and The Swish Group Limited as an individual parent entity comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New accounting standards and interpretations:

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 8 and AASB 2008-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements, however it will impact the level at which goodwill is tested for impairment. In addition, the amendments will have an impact on the Group's segment disclosures.	1 July 2009

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 101 (Revised) and AASB 2008-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments will only affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group will present a single statement of comprehensive income.	1 July 2009
AASB 2009-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Group is proposing to enter into a business combination in the 2010 financial year and 100% of the business will be acquired, and will not be impacted by this standard. The revised standard will have an impact on the recognition of goodwill (if any) arising from the contingent consideration likely to be included in the transaction.	1 July 2009

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	1 July 2009	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	1 July 2009
AASB 2009-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includestwo categories for financial assets being amortised cost or fair value and changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income	1 January 2013	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2013
Amendments to International Financial Reporting Standards	Improvements to IFRSs	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009 except for amendments to IFRS 5, which are effective from 1 July 2009.	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(c) Going concern basis of accounting

(i) Appointment of Administrators

The Company was suspended from the official list of the Australian Stock Exchange Limited ("**ASX**") on 27 August 2009, when, pursuant to a resolution of the Board of Directors, Richard Cauchi and David Lofthouse of CJL Partners were appointed as Voluntary Administrators of the Company.

On 17 December 2009 the Administrator entered an agreement to enable the recapitalisation and re-quotation of the Company's shares on ASX. In addition to recapitalising Swish Group, the proposal provides for the recapitalisation of each of the Company's nine subsidiaries that were also placed into Voluntary Administration at the same time as Swish Group, in late August 2009 and the conditional acquisition of online Internet advertising and search business Planet W Pty Ltd.

The agreement with the Voluntary Administrators provides for a payout to employees and creditors in both cash and shares in the Company and that further funding will be available to the Company (subject to shareholder approval) through a proposed capital raising approval for which will be sought at the forthcoming Annual General Meeting.

The proposal provides, inter alia, the following:

1. That the Deed Administrators will be paid the sum of $450,000 in cash on behalf of all creditors. The payment of that sum was contingent upon creditor's approval of the terms of the Deed, which was obtained on 2 December 2009 and shareholders' approval of the transaction and various consequential resolutions to be sought at a shareholders meeting to be held subsequent to the date of this report.
2. That in addition to the cash sum, the Company will issue to the Deed Administrators, or an entity nominated by them, on behalf of creditors, 100,000,000 fully paid ordinary shares at an issue price of $0.001 cents (or such other number of shares in the event of a consolidation of the share capital of Company). Those shares to be held in escrow by the Deed Administrators, on behalf of the creditors, for a period of ninety (90) days from the date of the issue of the shares. The Company has also procured a guarantee in favour of the Deed Administrators that provides that the Deed Administrators will receive a minimum of $100,000 for those shares in the event that they are not able to sell those shares at the end of the escrow period.

In addition it is proposed that the Company will seek shareholder approval to raise up to $1,750,000 through the issue of up to 1,750,000,000 fully paid ordinary shares at an issue price of $0.001 cents per share and approval to acquire the business and assets of Planet W Pty Ltd for the sum of $1,200,000 to be paid through the issue by the Company of 1,200,000,000 fully paid ordinary shares. The proposed acquisition also includes an incentive component for the vendors of that business, of up to $300,000, in the event that Planet W Pty Ltd achieves audited earnings before interest, tax, depreciation and amortisation (EBITDA) profit of $600,000 (pro forma) in the 2010 financial year.

The agreement is also subject to all necessary ASX, ASIC and any other required shareholder, regulatory or other necessary approvals being obtained and the re-quotation of the Company's shares on ASX.

(ii) Going Concern

The principal terms of the Deed of Company Arrangement entered into on 17 December 2009 are set out above. The continuing viability of the Company and the consolidated entity, and their ability to continue as a going concern and meet debts and commitments as they fall due are dependent upon the Company being successful in:

- Receiving the support of its shareholders in approving the recapitalisation proposal;
- Being released from its liabilities upon the Deed of Company Arrangement being effectuated; and
- Being successfully re-listed on the Australian Stock Exchange.

Without the Company achieving each of the matters outlined above, there would be significant uncertainty as to whether the Company would be able to continue as a going concern and therefore whether it would be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and reclassification of recorded amounts that might be necessary should the Company not continue as a going concern.

In particular, the financial report does not include any adjustments as a result of the Company and consolidated entity's entry into voluntary administration, and into a Deed of Company Arrangement. These events were subsequent to the financial period, and in accordance with the requirements of AASB 110 Events Subsequent to Balance Date, these events do not constitute an adjusting event. The going concern basis of accounting has been applied to the financial report as per the requirements of the standard, including the requirement that management has not determined after the reporting date that it either intends to liquidate the entity, or to cease trading, or that it has no realistic alternative but to do so.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(d) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which The Swish Group Limited controlled from time to time during the year and at balance date. Details of the controlled entities are contained in note 12.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist. All intercompany balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Minority interests in the equity and results of the entities that are controlled are shown separately in the consolidated financial report. Where a minority interest is in a loss position, 100% share of the loss is reflected by the consolidated entity.

A controlled entity is any entity controlled by The Swish Group Limited. Control exists where The Swish Group Limited has the capacity to govern the decision-making in relation to the financial and operational policies of another entity so that the other entity operates with The Swish Group Limited to achieve the objectives of The Swish Group Limited.

(e) Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from the provision of services to customers is recognised upon delivery of the service to the customer.

Government grants received that relate to specific assets or expenses are deferred and recognised as income in the same period as the asset is consumed or when the associated expenses are incurred. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-tem deposits with an original maturity of three months or less held at call with financial institutions and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(g) Inventory

Inventory comprises purchased CD's and DVD's and is valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business.

(h) Property, plant and equipment

Cost
Property, plant and equipment is stated at cost less depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed for impairment annually by the Directors for events or changes in circumstances that indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

Depreciation
The depreciable amounts of fixed assets are depreciated on a straight-line basis or diminishing balance basis as appropriate over their estimated useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of assets are:

	2009	2008
Plant and equipment:	2 to 10 years	2 to 10 years
Leasehold improvements:	2 to 10 years	2 to 10 years

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(i) Leases

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

Finance Leases
Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording at the inception of the lease an asset and liability equal to the present value of the minimum lease payments, and disclosed as plant and equipment under lease. Leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Lease payments are allocated between interest expense and reduction of the lease liability. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the Income Statement.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

Operating Leases
Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(j) Intangibles

Goodwill
Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

(k) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(l) Taxes

Current income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses

Current and deferred tax balances attributable to amounts recognized directly in equity are also recognised directly in equity.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(m) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Share-based payments
The group operates an employee share option plan.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options at grant date. The fair value of options at grant date is determined using a Black-Scholes option pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the option.

(n) Financial instruments

Classification
The group classifies its financial instruments in the following categories: loans and receivables and financial liabilities. The classification of investments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and Receivables
Loan and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial Liabilities
Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

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

(o) Foreign Currencies

Functional and Presentation Currency
The financial statements of each group entity are measured using its functional currency, which is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, as this is the parent entity's functional and presentation currency.

Transactions and Balances
Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Group Companies

The financial statements of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- All resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve as a separate component of equity in the balance sheet.

(p) Share based payments for the acquisition of a business

The company has acquired businesses during the year paying cash and issuing shares. Shares are issued at fair value at the time of the acquisition.

(q) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(r) Convertible notes

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs.

On issuance of the convertible note, the fair value of the liability component is determined using a market rate for an equivalent convertible bond and this amount is carried as a liability on an amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholder's equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

Interest on the liability component of the instrument is recognised as an expense in profit and loss.

Transaction costs are apportioned between the liability and equity components of the convertible note based on the allocation of proceeds to the liability and equity component when the instruments are first recognised.

(s) Business Combinations

Business Combinations are accounted for using the purchase method. The consideration transferred in a business combination shall be measured at fair value. The excess of the consideration against the fair value of the identifiable assets, liabilities, and contingent assets/liabilities acquired represents goodwill. Any contingent consideration is only recognised if the Group had a present obligation, the economic outflow is more likely than not and a reliable estimate is determinable. Subsequent amendments to the contingent consideration are adjusted against goodwill.

(t) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(u) Share Based Payments

The Group provides benefits to its employees in the form of share based payments, whereby employees provide services in exchange for shares or rights over shares. The cost of these transactions is measured by reference to the fair value of each option estimated at the date of grant using the Binomial option-pricing model. The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance or service conditions are fulfilled, ending on the date on which employees are fully entitled to award

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash, receivables, payables, borrowings, finance leases and hire purchase agreements and convertible notes.

The Group manages its exposure to key financial risks, in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rates. 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 as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for interest rate risk, credit allowances and future cash flow forecast projections.

Risk exposures and responses

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's debt facilities. The level of debt is disclosed in note 16.

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian both fixed and variable interest rate risk:

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Financial assets				
Cash and cash equivalents	**8,585**	121,703	**4,571**	97,595
Financial liabilities				
Short-term borrowings	**(481,023)**	(110,512)	**(250,533)**	(99,732)
	(481,023)	(110,512)	**(250,533)**	(99,732)
Net exposure	**(472,438)**	11,191	**(245,962)**	(2,137)

The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Risk exposures and responses (Continued)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date:

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

	Post Tax Loss		Equity	
	Higher/ (Lower) 2009 $	Higher/ (Lower) 2008 $	Higher/ (Lower) 2009 $	Higher/ (Lower) 2008 $
Consolidated				
+1% (100 basis points)	**(3,291)**	78	**(3,291)**	78
-0.5% (50 basis points)	**1,645**	(39)	**1,645**	(39)
Parent				
+1% (100 basis points)	**(1,722)**	(15)	**(1,722)**	(15)
-0.5% (50 basis points)	**861**	7	**861**	7

The movements in post tax loss and equity are due to higher interest costs from variable rate debt and cash balances. The sensitivity is higher in 2009 than in 2008 because of the increase in short term borrowings that occurred during the financial year ended 30 June 2009.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

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

It is the Group's policy that all customers who wish to trade on credit terms are assessed as to creditworthiness, including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for individual customers.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities, finance leases and hire purchase agreements, a convertible note facility and equity raisings.

At 30 June 2009, 100% of the Group's debt will mature in less than one year (2008: 100%).

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities. The respective undiscounted cash flows for the respective upcoming fiscal periods are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2009.

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

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
6 months or less	**3,197,913**	2,254,385	**1,250,217**	1,029,653
6-12 months	-	-	-	-
1-5 years	-	-	-	-
Over 5 years	-	-	-	-
	3,197,913	2,254,385	**1,250,217**	1,029,653

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Risk exposures and responses (Continued)

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

Management's expectation,reflects a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial obligations mainly originate from the financing of assets used in the Group's ongoing operations such as property, plant and equipment and investments in working capital, e.g. trade receivables. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future assets, the Group has established risk reporting covering its business units that reflects expectations of management of expected settlement of financial assets and liabilities.

All financial liabilities are payable within six months of balance date. Accordingly, the book value of each liability is equivalent to its fair value.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are based on past performance and management's expectations for the future.

Critical accounting estimates and assumptions

The group makes certain estimates and assumptions concerning the future, which, by definition, will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events which could have a material impact on the assets and liabilities in the next financial year are discussed below:

Estimated impairment of goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected cash flows approved by management covering a period not exceeding 5 years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. An expected growth rate of 5% for the next 2 – 5 years has been used. The present value of future cash flows has been calculated using a discount rate of 15% to determine value-in-use. When the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised.

5. REVENUE

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Revenue from operating activities				
Revenue from sale of goods	**2,620,936**	-	-	-
Revenue from services	**8,701,583**	7,430,536	-	-
Total sales revenue	**11,322,519**	7,430,536	-	-
Revenue from non-operating activities				
Management fees	-	-	**1,635,697**	-
Other revenue	-	3,899	-	-
Bank interest	**32**	1,636	**10**	1,552
Total other revenue	**32**	5,535	**1,635,707**	1,552
Total revenue	**11,322,551**	7,436,071	**1,635,707**	1,552

6. EXPENSES

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Employee costs				
Wages and salaries and contractors	3,271,012	2,560,454	666,277	340,880
Option based payments	-	5,685	-	5,685
Workers' compensation costs	18,932	9,506	18,618	9,506
Payroll tax	187,272	115,644	151,309	115,644
Superannuation costs	137,170	104,372	26,364	18,535
Annual leave provision	21,529	12,804	7,024	12,804
Total employee costs	3,635,915	2,808,465	869,592	503,054
Administrative expenses				
Occupancy costs	264,475	161,017	155,214	19,412
Advertising and marketing expenses	10,284	33,519	-	-
Operating lease rentals	(420)	8,347	(420)	8,242
Communications costs	183,417	148,038	72,076	20,098
Professional fees	221,899	170,898	199,750	100,907
Office administration costs	582,891	561,334	237,678	250,563
Other expenses/(credits)	769,666	(39,242)	488,117	-
Total administrative expenses	2,032,212	1,043,911	1,152,415	399,222
Other expenses				
Bad debts expense	30,000	1,000	-	-
Doubtful debts	203,877	-	3,003	-
Net foreign exchange differences	103,928	-	-	-
Surplus lease space	98,804	-	98,804	-
Other charges/(credits)	333,057	(40,242)	386,310	-
	769,666	(39,242)	488,117	-
Impairment losses				
Impairment loss on goodwill	1,053,166	-	-	-
Impairment loss on subsidiary loans	-	-	1,366,063	1,447,072
Impairment loss on investments	-	-	1,053,166	-
	1,053,166	-	2,419,229	1,447,072
Depreciation expense				
Depreciation of non-current assets:				
Plant and equipment	208,045	96,646	15,124	22,357
Leasehold improvements	3,723	4,239	2,828	4,239
Total depreciation expense	211,768	100,875	17,952	26,596
Finance costs				
Interest expense:				
Other interest	84,701	17,251	80,773	8,900
Bank interest	14,191	3,746	-	3,746
Total finance costs	98,892	20,997	80,773	12,646

7. INCOME TAX

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Current and deferred tax expense for the year ended 30 June 2009 were $nil (2008: $nil)				
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:				
Accounting loss before income tax	**(3,819,190)**	(1,765,089)	**(2,805,450)**	(2,387,034)
At the Group's statutory income tax rate of 30% (2008: 30%)	**1,145,757**	529,527	**841,635**	716,110
Temporary differences and tax losses not brought to account as deferred tax assets	**(1,145,757)**	(529,527)	**(841,635)**	(716,110)
Income tax benefit reported in the consolidated income statement	-	-	-	-
Income tax losses				
Deferred tax benefits not recognised as assets:	**6,068,419**	4,922,662	**4,884,958**	4,043,323

Tax Loss Deferred Tax Asset recognition

Deferred tax assets will only be recognised if:
(a) future assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
(b) the conditions for deductibility imposed by tax legislation are complied with; and
(c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

Deferred tax assets not recognised comprise estimated tax losses whose recoupment against future taxable profits is unconfirmed.

Unrecognised temporary differences

At 30 June 2009, there are no recognised temporary differences on the balance sheet, on the basis of an assessment that recovery through future taxable income of those amounts is not probable at 30 June 2009.

Unrecognised temporary differences are limited to an amount of $111,220 for deferred tax benefits arising from provisions recognised for accounting purposes, not deductible until a future period.

Tax consolidation

The Company and its subsidiaries have not as at the date of this report elected to form a tax consolidated group.

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

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

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

		Consolidated 2009 Cents per share	Consolidated 2008 Cents per share
Basic earnings/(loss) per share		**(0.5) cents**	(0.3) cents
Diluted earnings/(loss) per share		**(0.5) cents**	(0.3) cents
Earnings used in calculating basic and diluted earnings per share		**($3,819,190)**	($1,765,089)
		Number of shares 2009	Number of shares 2008
Weighted average number of ordinary shares used in calculating basic earnings per share		**819,907,897**	620,884,915
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	(a)	**819,907,897**	620,884,915

(a) Details are provided below of those options which have the potential to be dilutive if converted to ordinary shares. As the company has made a loss in the current and prior years, the impact of these options is anti-dilutive, and as such has not been included in the above calculation of diluted EPS

Share options	**285,097,958**	285,319,009

9. CASH AND CASH EQUIVALENTS

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Reconciliation of cash				
Cash	**8,585**	121,703	**4,571**	97,595
Closing cash balance	**8,585**	121,703	**4,571**	97,595

Cash includes cash on hand and in banks and investments in money market instruments.. Cash at bank earns interest at floating rates based on daily bank deposit rates.

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Reconciliation of net loss after tax to net cash flows from operations				
Net loss after income tax	**(3,819,190)**	(1,765,089)	**(2,805,450)**	(2,387,034)
Non-cash items:				
Depreciation of non-current assets	**211,768**	100,875	**17,952**	26,592
Impairment losses	**1,053,166**	-	**2,419,229**	1,447,072
Options issued to employees	-	5,685	-	5,685
Bad and doubtful debts	**233,877**	1,000	**3,003**	-
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	**2,144**	(630,766)	**515,306**	(1,049,566)
Increase/(decrease) in trade and other payables	**878,618**	866,336	**126,300**	1,508,294
Increase/(decrease) in provisions	**120,070**	12,804	**(1,718,894)**	12,804
Net cash used in operating activities	**(1,319,547)**	(1,409,155)	**(1,442,554)**	(431,768)

Acquisition of Businesses

During the year the group acquired the business of Moonlight TV, for a cash consideration of $50,000 and deferred consideration of $50,000. The full purchase consideration was paid by 30 June 2009. No cash was acquired as part of the business acquisition.

The group also acquired the businesses of VBS Australia and WeConnect. No component of the purchase consideration was paid in cash, and no cash was acquired as part of the business acquisition.

9. CASH AND CASH EQUIVALENTS (Continued)

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Loan facilities				
At balance date, the following financing facilities had been negotiated and were available:				
Facilities				
Equity Line of Credit and Convertible Note Facility – Furneaux Equity	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Loan facility - National Australia Bank Limited	**-**	250,000	**-**	-
Total	**5,000,000**	5,250,000	**5,000,000**	5,000,000
Facilities used at reporting date				
Equity Line of Credit and Convertible Note Facility – Furneaux Equity	**500,000**	250,000	**500,000**	250,000
Loan facility - National Australia Bank Limited	**-**	10,780	**-**	-
Total	**500,000**	260,780	**500,000**	250,000
Facilities unused at reporting date				
Equity Line of Credit and Convertible Note Facility – Furneaux Equity	**4,500,000**	4,750,000	**4,500,000**	4,750,000
Loan facility - National Australia Bank Limited	**-**	239,220	**-**	-
Total	**4,500,000**	4,989,220	**4,500,000**	4,750,000

On 26 February 2008, the Company entered into facility agreements with Furneaux Equity Limited for a $5,000,000 equity line of credit including a $1,000,000 convertible note facility. Under the terms of the equity line of credit facility agreement the Company has the right to issue up to $5,000,000 worth of shares in the Company in tranches of up to $250,000 each 20 trading days, at a 10% discount to the average share price over the preceding 10 day trading period to the issue. Under the terms of the convertible note facility, $1,000,000 of convertible notes can be issued with repayment required in a 150 day period, payable in cash or shares in the Company. The conversion price is the lower of 80% of the average share price in the 10 days preceding the note issue. Interest on the note is payable at the Bank Bill Swap Rate plus four percentage points. At 30 June 2009, $500,000 (2008: $250,000) had been drawn down under the convertible note facility and $249,467 converted into equity. The availability of the above line of credit and convertible note facilities is subject to the Company being able to issue shares under the requirements of the Corporations Act 2001 and the ASX Regulations. Shareholder approval is required in instances where the Company may need to issue greater than 15% of its issued capital.

10. RECEIVABLES (CURRENT)

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Trade receivables	**448,644**	573,040	**3,003**	7,386
Provision for doubtful debts	**(215,439)**	(30,192)	**(3,003)**	-
	233,205	542,848	**-**	7,386
Other receivables	**367,956**	245,704	**43,719**	35,053
Amounts receivable from related parties:				
Related party receivables	**-**	-	**3,334,242**	**5,158,964**
Provision for related party loan	**-**	-	**(3,334,242)**	**(5,158,964)**
	601,161	**788,552**	**43,719**	**42,439**

(a) Terms and conditions

Terms and conditions relating to the above financial instruments

(i) Trade receivables are non-interest bearing and generally on 30-day terms.
(ii) Other receivables are non-interest bearing and have repayment terms between 30 and 90 days.
(iii) For terms and conditions relating to related party receivables refer to note 28.

(b) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of $215,439 (2008: $30,192) has been recognised by the Group and $Nil (2008: $Nil) by the Company in the current year. These amounts have been included in the doubtful debts expense item.

Movements in the provision for impairment loss were as follows:

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
At 1 July	36,541	**30,192**	-	-
Charge for the year	178,898	-	3,003	-
Amounts written off	-	-	-	-
At 30 June	215,439	**30,192**	3,003	-

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

		Total	**0-30 days**	**0-30 days CI***	**31-60 days**	**31-60 days CI***	**61-90 days PDNI***	**61-90 days CI***	**+91 Days PDNI***	**+91 days CI***
2009	Consolidated	448,644	121,378	2,672	44,984	9,543	12,791	10,766	54,052	192,458
	Parent	3,003	-	-	-	-	-	-	-	3,003
2008	Consolidated	573,040	180,578	-	123,533	-	37,280	-	201,457	30,192
	Parent	7,386	-	-	3,003	-	-	-	4,383	-

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

Receivables past due but not considered impaired are: Consolidated $66,843 (2008: $238,737); Parent $nil (2008: $4,388). Payment terms on these amounts have not been re-negotiated however credit has been stopped until full payment is made.

Other receivables include amounts totaling $35,053 paid as security deposits on rented office accommodation.

Other balances within trade and other receivables do not contain impaired assets and are not past due.

Refer to Note 25 for details of the recoverability of these amounts subsequent to year end following the Company's entry into administration.

10. RECEIVABLES (CURRENT) (Continued)

(c) Related party receivables

For terms and conditions of related party receivables refer to note 28.

(d) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value has been assessed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

11. INVENTORY

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
CD's and DVD's	**65,701**	-	-	-
	65,701	-	-	-

12. NON-CURRENT INVESTMENTS

Interests in subsidiaries

Name of entity	**Country of Incorporation**	**Percentage of equity interest held by the consolidated entity**		**Investment**	
		Company 2009 %	Company 2008 %	**Company 2009 $**	Company 2008 $
Swish Digital Signage Pty Ltd	Australia	**100**	100	-	50,000
Swish Interactive Pty Ltd	Australia	-	100	-	-
Swish Afterpost Pty Ltd	Australia	-	100	-	-
Swish Amphead Pty Ltd	Australia	**100**	100	-	220,000
Swish Media Pty Ltd	Australia	-	100	-	-
Swish Transit Pty Ltd	Australia	-	100	-	-
Swish Films Pty Ltd	Australia	**100**	100	-	-
Swish Black Cat Pty Ltd	Australia	-	100	-	85,500
Swish Torque Communications Pty Ltd	Australia	**100**	51	-	120,000
Australian Vision Systems Pty Ltd	Australia	-	51	-	-
Swish TV Pty Ltd	Australia	**51**	51	-	-
Swish MG Distribution Pty Ltd	Australia	**51**	51	-	380,000
Swish MG Distribution (NZ) Limited	New Zealand	**51**	51	-	-
Swish Communications Pty Ltd	Australia	-	51	-	10,000
Swish Digital Spark Pty Ltd	Australia	**100**	51	-	-
Swish Group (USA) Inc	USA	-	51	-	-
Swish Telecommunications Holdings Pty Ltd	Australia	**100**	-	**60,000**	-
Swish Digital Media Pty Ltd	Australia	**100**	-	-	-
Swish Distribution Pty Ltd	Australia	**100**	-	-	-
				60,000	865,500

13. PLANT AND EQUIPMENT

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
(a) Carrying values				
Plant and equipment:				
At cost	**1,225,545**	1,200,156	**113,714**	110,679
Accumulated depreciation	**(943,769)**	(748,375)	**(78,301)**	(63,181)
Total plant and equipment	**281,776**	451,781	**35,413**	47,498
Leasehold improvements:				
At cost	**110,984**	29,479	**25,639**	25,639
Accumulated depreciation	**(20,874)**	(20,986)	**(19,978)**	(17,146)
Total leasehold improvements	**90,110**	8,493	**5,661**	8,493
Total written down amount	**371,886**	460,274	**41,074**	55,991

(b) Reconciliations

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year:

	Plant and Equipment $	Leasehold Improvements $	Total $
Consolidated entity			
Balance at the beginning of the year	451,781	8,493	460,274
Additions	38,040	85,340	123,380
Disposals	-	-	-
Depreciation expense	(208,045)	(3,723)	(211,768)
Balance at the end of the year	281,776	90,110	371,886
Parent entity			
Balance at the beginning of the year	47,498	8,493	55,991
Additions	3,033	-	3,033
Disposals	-	-	-
Depreciation expense	(15,118)	(2,828)	(17,952)
Balance at the end of the year	35,413	5,661	41,074

(c) Plant and equipment pledged as security for liabilities

Plant and equipment with a carrying value of $80,000 (2008: $nil) is subject to a first charge from the group's finance lease facility with Westpac, as disclosed in Note 16.

14. INTANGIBLE ASSETS

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
(a) Carrying values				
Goodwill:				
At cost	-	865,500	-	-
Total	-	865,500	-	-

(b) Reconciliations

Reconciliations of the carrying amounts for each class of intangible assets at the beginning and end of the current financial year

	Goodwill 2009 $	Goodwill 2008 $
Consolidated entity		
Balance at the beginning of the year	**865,500**	760,500
Additions	**187,666**	105,000
Impairment	**(1,053,166)**	-
Balance at the end of the year	-	865,500

Impairment Testing of Goodwill

Goodwill acquired through business combinations has been allocated to the three individual cash generating units, which are reportable segments (note 29), Digital Media, Film Production and Telecommunications.

The recoverable amount of goodwill acquired through business combinations for the cash generating units has been determined based on a value in use calculation, using cash flow projections for a five year period, based on a financial budget prepared by senior management for Year 1 and financial projections for a further four year period.

The discount rate applied to the cash flow projections was 15% with an expected growth rate of 5% for Years 2-5.

These projections could not support the carrying value of goodwill recorded by the group. Accordingly, the group has recorded an impairment loss to the extent that the recoverable amounts are lower than the carrying amounts.

15. TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Trade payables	**999,953**	959,562	**238,829**	148,085
Other payables	**1,389,742**	439,841	**490,197**	278,185
Related parties	**327,195**	503,651	**327,195**	503,651
	2,716,890	1,903,054	**1,056,221**	929,921

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
(ii) Other creditors are non-interest-bearing and are normally payable within 30 and 90 days
(iii) Details of the terms and conditions of related party payables are set out in notes 27 and 28.

(b) Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(c) Related party payables

For details of related party payables refer to note 28.

Refer to Note 25 for details of the impact of the administration and Deed of Company Arrangement subsequent to 30 June 2009 on the obligations of the Company in respect to these liabilities.

16. INTEREST-BEARING LIABILITIES

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Current:				
Convertible note facility	**250,533**	167,200	**250,533**	167,200
NAB trade finance facility	**4,392**	10,780	**-**	-
Capitalised borrowing costs	**(56,538)**	(67,468)	**(56,538)**	(67,468)
Westpac lease finance facility	**282,636**	240,819	**-**	-
	481,023	351,331	**193,995**	99,732

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

(i) On 26 February 2008, the Company entered into facility agreements with Furneaux Equity Limited for a $5,000,000 equity line of credit including a $1,000,000 convertible note facility. Under the terms of the equity line of credit facility agreement the Company has the right to issue up to $5,000,000 worth of shares in the Company in tranches of up to $250,000 each 20 trading days, at a 10% discount to the average share price over the preceding 10 day trading period to the issue. Under the terms of the convertible note facility, $1,000,000 of convertible notes can be issued with repayment required in a 150 day period, payable in cash or shares in the Company. The conversion price is the lower of 80% of the average share price in the 10 days preceding the note issue. Interest on the note is payable at the Bank Bill Swap Rate plus four percentage points. At 30 June 2009, $500,000 (2008: $250,000) had been drawn down under the convertible note facility and $249,467 converted into equity (2008: $Nil).

(ii) The NAB trade finance facility is the liability of a subsidiary entity, Swish MG Distribution Pty Ltd and is unsecured. This facility bears interest at a margin of 1.85% over the Australian trade refinance rate at each drawing and was repayable within 30 days of each draw-down.

(iii) The Westpac lease finance facility is a liability of a subsidiary entity, Swish Digital Spark Pty Ltd. The amount shown represents amounts stated at 30 June 2009 by Westpac as owing under the terms of the lease agreement with Swish Digital Spark Pty Ltd.

(b) Fair values

The carrying amount of the Group's current and non-current borrowings approximate their fair value.

(c) Interest rate, and liquidity risk

Details regarding interest rate, and liquidity risk is disclosed in note 3.

17. PROVISIONS

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Provision for annual leave (a)	**56,491**	35,225	**42,249**	35,225
Provision for surplus lease space (b)	**98,804**	-	**98,804**	-
	155,295	35,225	**141,053**	35,225

(a) Employee Numbers

The number of employées at year end :	65	48	65	48

(b) Movements in provisions

Movements in each provision during the financial year, other than provisions relating to employee benefits, are set out below:

	Consolidated 2009 $	Company 2009 $
Surplus lease space		
Balance at beginning of financial year	-	-
Arising during the year	98,804	98,804
Utilised	-	-
Balance at end of financial year	**98,804**	**98,804**

18. CONTRIBUTED EQUITY

(a) Issued and paid up capital

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Ordinary shares fully paid	**21,401,704**	19,834,808	**21,401,704**	19,834,808
Issued options	**440,605**	440,605	**440,605**	440,605
Contributed equity	**21,842,309**	20,275,413	**21,842,309**	20,275,413

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in shares on issue

	2009 Number of Shares	2009 $	2008 Number of Shares	2008 $
Beginning of the financial year	686,104,860	19,834,808	471,104,860	17,766,008
Shares issued during the year				
1. Issue of shares on 6 July 2007	-	-	21,000,000	213,000
2 Issue of shares on 14 September 2007	-	-	100,000,000	1,000,000
3. Issue of shares on 23 November 2007	-	-	30,000,000	300,000
4. Issue of shares on 5 December 2007	-	-	44,500,000	445,000
5. Issue of shares on 16 May 2008	-	-	19,500,000	170,800
6. Issue of shares on 7 July 2008	11,574,028	83,333	-	-
7. Issue of shares on 2 September 2008	77,604,187	600,000	-	-
8. Issue of shares on 2 March 2009	16,000,000	80,000	-	-
9. Issue of shares on 20 March 2009	64,500,000	129,000	-	-
10. Issue of shares on 14 May 2009	427,891,537	855,783	-	-
Transaction costs relating to share issues	-	(181,220)	-	(60,000)
As at the end of the financial year	1,283,674,612	21,401,704	686,104,860	19,834,808

18. CONTRIBUTED EQUITY (Continued)

(b) Movements in shares on issue (Continued)

1. On 7 July 2008 the Company issued 11,574,028 shares at 0.72 cents per share in respect of conversion of convertible notes to equity of $83,333.
2. On 2 September 2008 the Company completed a placement of 29,875,000 shares to sophisticated investors at 0.80 cents per share raising $239,000 to provide working capital and to finance potential acquisitions; the Company completed a placement of 20,000,000 shares to directors at 0.80 cents per share raising $160,000; the Company issued 13,020,937 shares at 0.64 cents per share in respect of conversion of convertible notes to equity of $83,334; the Company issued 6,250,000 shares to sophisticated investors at 0.80 cents per share to pay a debt facility fee of $50,000; the Company issued 8,458,250 shares to a vendor of a previously acquired business at 0.80 cents per share to pay deferred purchase consideration of $67,666.
3. On 2 March 2009 the Company issued 16,000,000 shares to vendors at 0.5 cents per share raising $80,000 as purchase consideration for businesses acquired by the Company.
4. On 20 March 2009 the Company completed a placement of 64,500,000 shares to sophisticated investors at 0.2 cents per share raising $129,000 to provide working capital and to finance potential acquisitions.
5. On 14 May 2009 the Company completed a rights issue of 427,891,535 shares to shareholders at 0.2 cents per share raising $855,783.
6. Transaction costs of $181,220 (2008: $60,000) were incurred in respect of these equity issues.

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. A total of 500,000 ordinary shares are held in escrow.

18. CONTRIBUTED EQUITY (Continued)

(d) Share options

Details of options outstanding and movements in options during the financial year are set out below:

Options outstanding

	2009 Number of Options	**2009 Weighted Average Exercise Price**	2008 Number of Options	2008 Weighted Average Exercise Price
Balance at beginning of year	**289,302,342**	**$0.02**	278,852,342	$0.02
Granted	**-**	**$0.02**	16,100,000	$0.02
Expired	**(8,600,000)**	**$0.02**	(5,650,000)	$0.02
Balance at end of year	**280,702,342**	**$0.02**	289,302,342	$0.02
Exercisable at end of year	**280,702,342**	**$0.02**	289,302,342	$0.02

Options held at the beginning of the reporting period

Options brought forward at beginning of financial year ended 30 June 2009	Number of Options	Grant Date	Vesting Date	Expiry Date	Weighted Average Exercise Price
Employees and contractors	100,000	16 Jan 2004	16 Jan 2004	16 Jan 2009	$0.05
Vendors of Swish Black Cat business	2,000,000	29 Sep 2005	29 Sep 2005	29 Sep 2009	$0.025
Vendors of Swish Black Cat business	500,000	18 Nov 2005	18 Nov 2005	29 Sep 2009	$0.025
Employees and contractors	350,000	15 Mar 2006	15 Mar 2006	15 Mar 2011	$0.02
Director Mr Cary Stynes	6,000,000	29 Nov 2006	1 Dec 2006	30 Nov 2011	$0.02
Director Mr Stephen Layton	2,000,000	29 Nov 2006	1 Dec 2006	30 Nov 2011	$0.03
Director Mr William Graham	2,000,000	29 Nov 2006	1 Dec 2006	30 Nov 2011	$0.04
Investors	25,000,000	20 Dec 2006	20 Dec 2006	31 Jan 2010	$0.02
Pro rata rights issue	220,302,342	30 March 2008	30 March 2008	31 Jan 2010	$0.02
Investors	15,000,000	8 May 2008	8 May 2008	31 Jan 2010	$0.02
Employees and contractors	16,100,000	15 Mar 2009	15 Nov 2009	15 Mar 2011	$0.02
Total	289,352,342				$0.02

18. CONTRIBUTED EQUITY (Continued)

(d) Share options (Continued)

Options granted

No options were granted during the financial year ended 30 June 2009.

Options expiring

Options expired during the financial year ended 30 June 2009	Number of Options	Grant Date	Vesting Date	Expiry Date	Weighted Average Exercise Price
Vendors of Swish Black Cat business	2,000,000	29 September 2005	29 September 2005	29 September 2008	$0.025
Vendors of Swish Black Cat business	500,000	18 November 2005	18 November 2005	29 September 2008	$0.025
Employees and contractors	6,000,000	15 March 2006	15 March 2006	5 December 2008	$0.02
Employees and contractors	100,000	16 January 2004	16 January 2004	16 January 2009	$0.05
Total	8,600,000				$0.022

Options exercised

No options were exercised during the financial year or until the date of this report.

Options held at the end of the reporting period

Options carried forward at end of financial year ended 30 June 2009	Number of Options	Grant Date	Vesting Date	Expiry Date	Weighted Average Exercise Price
Employees and contractors	100,000	15 Mar 2006	15 Mar 2006	15 Mar 2011	$0.02
Director Mr Cary Stynes	6,000,000	29 Nov 2006	1 Dec 2006	30 Nov 2011	$0.02
Director Mr Stephen Layton	2,000,000	29 Nov 2006	1 Dec 2006	30 Nov 2011	$0.03
Director Mr William Graham	2,000,000	29 Nov 2006	1 Dec 2006	30 Nov 2011	$0.04
Investors	25,000,000	20 Dec 2006	20 Dec 2006	31 Jan 2010	$0.02
Pro rata rights issue	220,302,342	30 March 2008	30 March 2008	31 Jan 2010	$0.02
Investors	15,000,000	8 May 2008	8 May 2008	31 Jan 2010	$0.02
Employees and contractors	10,300,000	15 Mar 2009	15 Nov 2009	15 Mar 2011	$0.02
Total	280,702,342				$0.02

18. CONTRIBUTED EQUITY (Continued)

(d) Share options (Continued)

Company Share Option Plan

For further details of the Company Share Option Plan, refer note 22.

Fair value of options

The market value of ordinary shares in The Swish Group Limited closed at 0.5 cents per share on 30 June 2009 (1.1 cents per share on 30 June 2008).

The fair value of each option has been estimated at the date of grant using the Binomial option-pricing model with the following weighted average assumptions used:

	2009	2008
Dividend yield	None issued	Nil
Expected volatility	None issued	50%
Risk-free interest rate	None issued	6.430%
Expected life of option	None issued	3.0 years

The dividend yield reflects the assumption that no dividends will be paid by the Company for the foreseeable future. The expected life of the options is based on the term of the options and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. All options issued to date have vested.

All options are vested as at the date of grant.

An expense of $Nil (2008: $5,685) was recognised in respect of these share based payments.

19. ACCUMULATED LOSSES

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Balance at beginning of financial year	**(20,386,479)**	(18,621,390)	**(20,336,251)**	(17,949,217)
Net loss for the year	**(3,819,190)**	(1,765,089)	**(2,805,450)**	(2,387,034)
Balance at end of financial year	**(24,205,669)**	(20,386,479)	**(23,141,700)**	(20,336,251)

20. RESERVES

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Options granted reserve				
Balance at beginning of financial year	**57,485**	51,800	**57,485**	51,800
Net movement for the year	**-**	5,685	**-**	5,685
Balance at end of financial year	**57,485**	57,485	**57,485**	57,485

Nature and Purpose of Options Granted Reserve
This reserve is used to record the value of share based payments provided to employees, including key management personnel, as part of their remuneration.

21. COMMITMENTS

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
(a) Operating lease commitments				
Non-cancellable operating leases contracted for but not capitalised in the financial statements				
Premises				
No later than one year	**506,399**	**118,570**	**506,399**	70,400
Later than one year and not later than five years	**107,733**	**170,135**	**107,733**	170,135
	614,131	**288,705**	**614,131**	240,535

Operating lease payments are recorded as expense payments. Operating leases relate to the rental of the Company's office premises and equipment primarily involved in the Company's digital signage business.

(b) Deferred consideration

Several of the Company's subsidiary entities have been acquired under agreements which provide for deferred consideration to be paid by the Company, mostly in the form of shares, part of which is dependent on the future financial performance of those subsidiaries. The Company has not recorded a provision for such deferred consideration on the basis that the amount of such deferred consideration cannot be reliably estimated at the date of this report.

22. EMPLOYEE ENTITLEMENTS

(a) Share options

Under the Swish Group's Company Share Option Plan for Directors, employees and contractors of the Company under which the Board can issue options at no cash consideration to purchase fully paid ordinary shares in the Company on the basis of one option for one share at an exercise price to be determined by the Board at the time the options are issued. Options will be exercisable from the time of issue and will lapse on the fifth anniversary of the date of grant if they have not been exercised before that time. Options can be issued up to a maximum of 10% of the issued share capital of the Company. The options cannot be transferred and will not be quoted on the ASX. Eligible persons under the Company Share Option Plan are Directors, employees and contractors of the Company. If the Directorship, employment or contract of the participant terminates, the participant may, within 28 days after the date of termination, exercise all or part of those of the participant's options, which the participant is then entitled to exercise. Any option not exercised within that 28 day period will lapse. For details of options outstanding and movements in options during the financial year, refer note 18.

(b) Superannuation commitments

The consolidated entity contributes 9% of employees' wages and salaries to superannuation plans which provide various benefits on retirement, disability or death. Such contributions at the rate of 9% are legally enforceable in Australia.

(c) Employee entitlements

Details of the provision for accrued annual leave are set out in note 17.

23. BUSINESS COMBINATIONS

Year ended 30 June 2009
The following acquisitions were made during the financial year ended 30 June 2009:

- On 21 August 2008, a subsidiary entity, Swish TV Pty Ltd, acquired the business of Moonlight TV, a business involved in Internet television, for a cash consideration of $50,000 and deferred consideration of $50,000. The full purchase consideration has been reflected as goodwill as no fair value could be ascribed to the assets of Moonlight TV acquired.
- On 1 March 2009 a subsidiary entity, Swish Telecommunications Holdings Pty Ltd, acquired the businesses of VBS Australia and WeConnect, vendors of mobile telephone plans and other services, for a consideration of $60,000 paid in shares and deferred consideration based on future financial performance. A total of $60,000 of plant and equipment at fair value was acquired on the acquisition and no goodwill was recorded.

The following amounts of deferred consideration were paid during the financial year ended 30 June 2009 in respect of previous acquisitions:

- A total of $20,000 of shares were issued as deferred consideration to the vendors of the business of Swish Torque Communications Pty Ltd.
- An amount of $67,666 was paid were issued as deferred consideration to the vendors of the business of Swish Communications Pty Ltd.

If the above acquisitions had taken place at the beginning of the financial year, the loss of the Group would have been $3,499,654 and revenue would have been $12,275,984

Year ended 30 June 2008
During the financial year ended 30 June 2008, a subsidiary entity, Swish Digital Spark Pty Ltd acquired the business of Digital Spark, a business involved in digital signage advertising. The business was acquired in February 2008 and control was obtained from that date. If the acquisition had taken place at the beginning of the financial year period the loss of the Group would have been $1,789,456 and revenue would have been $7,460,175. There was no consideration for the acquisition and no goodwill was recorded.

Loss of control of entities

Year ended 30 June 2009
The following subsidiary entities were deregistered during the year ended 30 June 2009:
Swish Transit Pty Ltd
Swish Interactive Pty Ltd
Swish Afterpost Pty Ltd
Swish Black Cat Pty Ltd
Australian Vision Systems Pty Ltd
Swish Ambient Pty Ltd
Swish Media Pty Ltd
Swish Group USA Inc

Swish Group USA Inc had revenue of $3,438,847 and a net loss of $419,905 during the year ended 30 June 2009. None of the other deregistered companies were actively traded during the year ended 30 June 2009.

The Company also lost control over Swish Communications Pty Ltd during the year ended 30 June 2009. The entity had revenue of $12,392 and a net loss of $24,451 during the year ended 30 June 2009.

Deconsolidated Interests
At 30 June 2009 Swish Group (USA) Inc had ceased trading, and a certificate of dissolution had been filed with the Secretary of State of the State of Delaware, USA. Effective that date, The Swish Group Limited ceased recognition of the financial position of the entity including its liabilities, as the entity was no longer controlled. A gain of $169,858 on deconsolidation of this entity was recorded in the Group income statement.

Refer to Note 24 for details of an action by the creditors of Swish Group (USA) Inc against Dharma Productions, and the proposed joining of the Swish Group Limited in the action by Dharma Productions.

Year ended 30 June 2008
The Company did not lose control of any entities during the year ended 30 June 2008.

24. CONTINGENT LIABILITIES

The following contingent liabilities existed as at 30 June 2009;

1. Mr Rentals had claimed a sum of approximately $1,200,000 in respect of alleged unpaid rental on certain equipment used by the Company's digital signage business to deliver its digital signage programmes. The Company had defended the claim and counterclaimed against Mr Rentals for a sum of approximately $1,300,000 in respect of the loss and damage suffered as a result of the equipment not operating properly and other breaches of the agreement. The Company has provided for up to $260,000 in its accounts and the matter was settled for this amount subsequent to year end. Mr Rentals is an unsecured creditor in the Administration

2. Administration and Marketing Solutions, the operator of the Chemist Warehouse and My Chemist Chains had made a number of claims against the Company for damages in respect of the rollout of a digital signage network in their stores. The Company believed that the case was completely without merit and accordingly had made no provision in respect of the matter. The Voluntary Administrator rejected the claim by Administration and Marketing Solutions in its entirety in the course of their examination of the Company's affairs.

3. Various creditors of Swish Group (USA) Inc had made claims against that subsidiary Company as a result of certain amounts not being paid to them for work carried out on the film Kurrbaan that was shot in the USA in late 2008. Swish Group (USA) Inc was dissolved on 30 June 2009 and the Group has made claims against Indian Production Company Dharma Productions in respect of unpaid invoices rendered by it in respect of that production.

25. AFTER BALANCE DATE EVENTS

The following are significant matters which have arisen post 30 June 2009 that may affect the consolidated entity in financial periods subsequent to 30 June 2009:

The Company was suspended from the official list of the Australian Stock Exchange Limited ("**ASX**") on 27 August 2009, when, pursuant to a resolution of the Board of Directors, Richard Cauchi and David Lofthouse of CJL Partners, were appointed as Voluntary Administrators of the Company. On 17 December 2009 the Administrator entered an agreement to enable the recapitalisation and re-quotation of the Company's shares on ASX, subject to shareholder approval. In addition to recapitalising Swish Group, the proposal provides for the recapitalisation of each of the Company's nine subsidiaries that were also placed into Voluntary Administration at the same time as Swish Group, in late August 2009, and the conditional acquisition of online Internet advertising and search business Planet W Pty Ltd.

The financial effects of the above transactions have not been brought to account at 30 June 2009, as these occurred subsequent to year end, and did not impact matters accounted for at 30 June 2009. The financial statements have been prepared on a going concern basis. The financial effect of the voluntary administration and subsequent Deed of Company Arrangement will result in significant changes in the financial position of the Swish Group, together with the results of operations from 1 July 2009 to the time of the administration. These matters impact subsequent financial reporting periods to the year ended 30 June 2009, and the impact of these matters has yet to be fully assessed and accounted for.

As a result of the administration and the subsequent entry by the Company into a Deed of Company Arrangement, at the date of this Report, it is known that the carrying values of certain assets and liabilities as stated in the financial statements, whilst fairly stated at 30 June 2009, were not subsequently received or settled, as a result of the entry by the Group into administration on 27 August 2009 and subsequent entry into a Deed of Company Arrangement announced on 17 December 2009.

These events have resulted in the following impacts on the assets and liabilities of the Group at 27 August 2009:

- Subsequent to year end, certain trade and other receivables, inventories, and plant and equipment on hand at 27 August 2009, including certain assets that also existed at 30 June 2009, became uncertain of recovery; and
- Any trade and other payables, interest-bearing liabilities, and employee entitlements at 30 June 2009 remaining outstanding at 27 August 2009, including those not settled since 30 June 2009, will be settled subject to the terms of the Deed of Company Arrangement.

The ultimate recovery of assets, and receipt of funds allowed for under the Deed of Company Arrangement, and the distribution of those funds to secured and unsecured creditors of the Group is to be performed under instruction of David J Lofthouse and Richard J Cauchi of CJL Partners, Joint and Several Administrators of the Deed of Company Arrangement.

The agreement with the Voluntary Administrators provides for a payout to employees and creditors in both cash and shares in the Company and that further funding will be available to the Company (subject to shareholder approval) through a proposed capital raising to be conducted in April/May 2010.

25. AFTER BALANCE DATE EVENTS (CONTINUED)

The proposal provides, inter alia, the following:

- That the Deed Administrators will be paid the sum of $450,000 in cash on behalf of all creditors. The payment of that sum was contingent upon creditor's approval of the terms of the Deed, which was obtained on 2 December 2009 and shareholders' approval of the transaction and various consequential resolutions to be sought at a shareholders meeting to be held in April 2010.

- That in addition to the cash sum, the Company will issue to the Deed Administrators, or an entity nominated by them, on behalf of creditors, 100,000,000 fully paid ordinary shares at an issue price of $0.001 cents (or such other number of shares in the event of a consolidation of the share capital of Company). Those shares to be held in escrow by the Deed Administrators, on behalf of the creditors, for a period of ninety (90) days from the date of the issue of the shares. The Company has also procured a guarantee in favour of the Deed Administrators that provides that the Deed Administrators will receive a minimum of $100,000 for those shares in the event that they are not able to sell those shares at the end of the escrow period.

In addition the Directors have proposed that the Company will seek shareholder approval to raise up to $1,750,000 through the issue of up to 1,750,000,000 fully paid ordinary shares at an issue price of $0.001 cents per share and approval to acquire the business and assets of Planet W Pty Ltd for the sum of $1,200,000 to be paid through the issue by the Company of 1,200,000,000 fully paid ordinary shares at $0.001 cents. The proposed acquisition also includes an incentive component for the vendors of that business, of up to $300,000, in the event that Planet W Pty Ltd achieves an audited earnings before interest, tax, depreciation and amortisation (EBITDA) profit of $600,000 (pro forma) in the 2010 financial year.

The agreement is subject to all necessary ASX, ASIC and any other required shareholder, regulatory or other necessary approvals being obtained and the re-quotation of the Company's shares on ASX. These events have not fully occurred at the date of this report.

The Company has announced that Shareholder approval will be sought at the Annual General Meeting at which, in addition to the ordinary business of the Company, additional resolutions will be put to allow for the recapitalisation of the Company as summarised above. If shareholders approve the resolutions to be put at the Annual General Meeting, the Directors have stated they will seek approval from ASX for the reinstatement of quotation of the Company's securities on ASX.

26. AUDITORS REMUNERATION

	Consolidated 2009 $	Consolidated 2008 $	**Company 2009 $**	Company 2008 $
Amounts received or due and receivable by Ernst & Young for:				
An audit or review of the financial report of the entity and any other entity in the consolidated entity	**58,500**	50,000	**58,500**	50,000
Other services	**-**	-	**-**	-
	58,500	50,000	**58,500**	50,000

27. DIRECTORS' AND EXECUTIVES' COMPENSATION

(a) Details of Key Management Personnel during the financial year

(i) Directors		*(ii) Executives*	
Mr. Cary Stynes	Managing Director	Mr. Peter Crafter	Financial Consultant
Mr. Gary Mackenzie	Executive Director	Mr. Marcus Georgiades	Production and Distribution CEO
Mr. Stephen Layton	Non-Executive Director	Mr. Mark Ainsworth	Executive - Swish Telecommunications
Mr. William Graham	Non-Executive Director	Mr. Paul Ainsworth	Executive - Swish Telecommunications

(b) Remuneration options: granted and vested during the year

No options were granted as part of Directors' remuneration during the year ended 30 June 2009 (2008: nil)

(c) Shares issued on exercise of remuneration options

No shares were issued in the financial year ended 30 June 2009 as a result of the exercise of remuneration options (2008: Nil).

27. DIRECTORS' AND EXECUTIVES' COMPENSATION (Continued)

(d) Option holdings of Directors

	Note	Balance at 1 July 2008 No.	Issued during year No.	Purchased during year No.	Exercised during year No.	Balance at 30 June 2009 No.
Director						
Mr. Cary Stynes	1, 3	41,485,000	-	-	-	41,485,000
Mr. Stephen Layton	2, 3	39,760,000	-	-	-	39,760,000
Mr. William Graham	2	2,000,000	-	-	-	2,000,000
Mr. Gary Mackenzie	4	2,000,000	-	-	-	2,000,000
Total		85,245,000	-	-	-	85,245,000

Notes

1. Mr. Stynes was issued with a total of 6,000,000 options following shareholder approval at the Company's AGM on 29 November 2006, of which 2,000,000 Options are exercisable at 2 cents per share vesting on 1 December 2006, and expiring on 30 November 2011, 2,000,000 Options exercisable at 3 cents per Share vesting on 1 December 2006, and expiring on 30 November 2011 and 2,000,000 Options exercisable at 4 cents per Share vesting on 1 December 2006, and expiring on 30 November 2011.
2. Each of Mr. Layton and Mr. Graham were issued with 2,000,000 options following shareholder approval at the Company's AGM on 29 November 2006. The options vested on 1 December 2006, expire on 30 November 2011 and have an exercise price of 2 cents per share.
3. Mr. Stynes and Mr. Layton participated in a non-renounceable rights issue of options which was completed on 30 March 2007. The entitlement offer was made on the basis of 1 option for every 2 ordinary shares held as at the entitlement date. The options, which are listed on ASX, were issued at a subscription price of 0.2 cents per option and are exercisable at a price of 2 cents per share. The options have an expiry date of 31 January 2010.
4. Mr. Mackenzie was issued with 2,000,000 options exercisable at 2 cents per share on 23 November 2007. Mr. Mackenzie was appointed to the Board on 3 April 2009.

(e) Shareholdings of Directors

	Note	Balance at 1 July 2008 No.	Purchased during year No.	Placement during year No.	Rights Issue No.	Issued during year No.	Sold during year No.	Balance at 30 June 2009 No.
Director								
Mr. Cary Stynes	1, 2	83,660,089	250,000	20,000,000	16,695,044	-	-	120,605,133
Mr. Stephen Layton	3, 4	90,520,000	-	-	10,000,000	-	-	100,520,000
Mr. William Graham		27,346,840	-	-	-	-	-	27,346,840
Mr. Gary Mackenzie		18,000,000	-	-	8,106,613	4,000,000	(5,787,074)	24,319,539
Total		219,526,929	250,000	20,000,000	34,801,657	4,000,000	(5,787,074)	272,791,512

Notes

1. Includes shares held by Media Entertainment Pty Ltd in which the director holds a 47.5% interest.
2. Mr. Stynes holds shares both individually and in a director related entity.
3. Includes shares held by Media Entertainment Pty Ltd in which the director holds a 47.5% interest.
4. Mr Layton holds shares both individually and in a director related entity.
5. Mr. Mackenzie holds shares through director related entities.

(f) Shareholdings of Executives

	Balance at 1 July 2008 No.	Purchased during year No.	Rights Issue No.	Issued during year No.	Sold during year No.	Balance at 30 June 2009 No.
Mr. Peter Crafter	-	-	-	-	-	-
Mr. Marcus Georgiades	10,518,000	257,000	-	-	(8,502,273)	2,272,727
Mr. Mark Ainsworth	-	-	500,000	3,000,000	-	3,500,000
Mr. Paul Ainsworth	-	2,000,000	15,447,690	3,000,000	-	20,447,690
Total	10,518,000	2,257,000	15,947,690	6,000,000	(8,502,273)	26,220,417

27. DIRECTORS' AND EXECUTIVES' COMPENSATION (Continued)

(g) Total Remuneration of Key Management Personnel

Total remuneration of key management personnel is shown as follows:

	Short Term	Post Employment	Share Based Payment		
	Base Salary $	Superannuation Contributions $	Number of Options Granted No.	Value of Options Granted $	Total $
2009	$665,305	$4,898	-	-	$670,203
2008	$831,992	$3,600	6,000,000	$2,118	$837,710

(h) Loans to Directors

There were no loans made to Directors during the financial year and none are outstanding as at the date of this report.

Loans made by the Directors are set out below

(i) Other transactions and balances with Directors

Loans with Director-related entities

There were no loans with Director-related entities during the financial year and none are outstanding as at the date of this report.

Payables to Director-related entities

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Related party payables				
Loan Advance from Director	-	248,968	-	248,968
Accrued salary payable to Directors	183,195	182,683	183,195	182,683
Accrued fees payable to Non Executive Directors	144,000	72,000	144,000	72,000
Total related party payables	327,195	503,651	327,195	503,651

Related party payables

During the financial year ended 30 June 2009, Mr. Cary Stynes made advances of $192,343 to the Company (2008: $248,968) and the Company made payments to Mr. Stynes of $658,575 in respect of i) reimbursement of prior year and current year advances made to the Company, and ii) accrued salary from the prior year, and part payment of current year salary. An amount of $183,195 (2008: $182,683) salary owing was not paid to Mr Stynes during the financial year.

Non-executive director fees of $36,000 were accrued during the financial year but not paid to each of Mr. Layton and Mr. Graham.

Other transactions with Director-related entities

During the previous financial year ended 30 June 2008, the Company paid Melbourne Capital Limited (a company associated with Director, Mr. Stephen Layton) $60,000 in broking commission on capital raisings conducted by it. Melbourne Capital Limited earns broking commission through arranging equity capital raisings for the Company. The Company had a balance due to Melbourne Capital Limited due at 30 June 2008 of $Nil. These transactions were made under normal commercial terms and conditions.

During the financial year ended 30 June 2009 there were no other transactions with Director-related entities.

28. RELATED PARTY DISCLOSURES

Ultimate parent

The consolidated financial statements include the financial statements of The Swish Group Limited and its controlled entities. The Swish Group Limited is the ultimate parent company. Details of subsidiary entities are set out in note 12.

Inter-group transactions

Loans

The Swish Group Limited provided interest-free loans to fund the operations of its subsidiary entities during the financial year. Loans amounted to $3,334,242 (2008: $5,158,964) and have been fully provided for on the basis that they are not expected to be recoverable.

Other transactions

Inter-company sales amounted to $3,348,847 for the year ended 30 June 2009 (2008: $Nil). These sales have been eliminated on consolidation.

Transactions with Directors and Director-related entities

Transactions with Directors and Director-related entities are set out in note 27.

Other related party transactions

During the financial year ended 30 June 2009 the following other related party transactions took place:

- The Company issued 4,000,000 shares at 0.5 cents per share (value $20,000) to Mr. Gary Mackenzie as further consideration in respect of the acquisition of the Swish Torque Communications business.
- The Company issued 8,458,250 shares at 0.8 cents per share (value $67,666) to Mr. Craig Harris as further consideration in respect of the acquisition of the Swish Communications business.
- The Company issued a total of 12,000,000 shares at 0.5 cents per share (value $60,000) to VBS Australia Pty Ltd and WeConnect Pty Ltd, companies associated with Mr. Paul Ainsworth and Mr. Mark Ainsworth as consideration in respect of the acquisition of the Swish Telecommunications Holdings business.

During the financial year ended 30 June 2008 the following other related party transactions took place:

- The Company issued 1,000,000 shares at 1.3 cents per share (value $13,000) to Mr. Marcus Georgiades as further consideration in respect of the acquisition of the Swish Black Cat business.
- The Company issued 13,500,000 shares at 1 cent per share (value $135,000) and 8,000,000 shares at 1.1 cents per share (value $88,000) to Mr. Marcus Georgiades as further consideration in respect of the acquisition of the Swish MG Distribution business.
- The Company issued 5,000,000 shares at 1 cent per share (value $50,000) to Mr. Gary Mackenzie as further consideration in respect of the acquisition of the Swish Torque Communications business.
- The Company issued 13,000,000 shares at 1 cent per share (value $130,000) to Mr. Gary Mackenzie as further consideration in respect of the acquisition of the Swish Amphead business.
- The Company issued 1,000,000 shares at 1 cent per share (value $10,000) to Mr. Craig Harris as further consideration in respect of the acquisition of the Swish Communications business.

29. SEGMENT INFORMATION

The major services from which the economic entity derived revenue during the year were digital media, film production and Telecommunications. Inter-segment pricing is determined on an arms length basis.

Business Segments

2009

	Digital Media	**Film Production**	**Tele-Communications**	**Corporate**	**Elimination**	**Consolidated**
	$	$	$	$	$	$
External sales	2,821,633	5,169,975	3,330,943	1,635,707	(1,635,707)	11,322,551
Internal sales	-	-	-	-	-	-
Total revenue	2,821,633	5,169,975	3,330,943	1,635,707	(1,635,707)	11,322,551
RESULT						
Segment operating profit/ (loss) after tax	247,629	(470,690)	(790,680)	(2,805,449)	-	(3,819,190)
Segment depreciation	(147,489)	(28,132)	(18,195)	(17,952)	-	(211,768)
Segment other non-cash expenditure	-	-		-	-	-
ASSETS						
Segment assets	224,758	99,065	574,146	149,364	-	1,047,333
LIABILITIES						
Segment liabilities	3,487,192	214,239	1,594,750	1,391,269	(3,334,242)	3,353,208

2008

	Digital Media	**Film Production**	**Tele-Communications**	**Corporate**	**Elimination**	**Consolidated**
	$	$	$	$	$	$
External sales	2,957,676	3,580,100	896,743	1,552	-	7,436,071
Internal sales	-	-	-	-	-	-
Total Revenue	2,957,767	3,580,100	896,743	1,552	-	7,436,071
RESULT						
Segment operating profit/(loss) after tax	806,320	(46,724)	(137,651)	(2,387,034)	-	(1,765,089)
Segment depreciation	(60,279)	(14,004)	-	(26,592)	-	(100,875)
Segment other non-cash expenditure	-	-	-	-	-	-
ASSETS						
Segment assets	478,076	164,345	251,264	1,342,344	-	2,236,029
LIABILITIES						
Segment liabilities	2,798,049	1,438,499	481,188	1,064,878	(3,493,004)	2,289,610

Note: Digital Media in the segment information includes digital signage, digital music, film distribution and telecommunications sales and marketing services.

29. SEGMENT INFORMATION (Continued)

Geographic segments

2009

	Australia	USA	Consolidated
	$	$	$
External sales	7,883,704	3,438,847	11,322,551
Internal sales	-	-	-
Total revenue	7,883,704	3,438,847	11,322,551
RESULT			
Segment operating loss after tax	(3,399,284)	(419,905)	(3,819,190)

2008

During the year ended 30 June 2008, the economic entity operated only in Australia.

THE SWISH GROUP LIMITED
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
DIRECTORS' DECLARATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

In the opinion of the directors, the financial statements and notes of The Swish Group Limited and its controlled entities are in accordance with the Corporations Act 2001:

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

(b) Give a true and fair value of the financial position of the Company and of the consolidated entity as at 30 June 2009 and of their performance as represented by the results of their operations, change in equity and their cash flows for the year ended on that date;

In the directors' opinion there are reasonable grounds to believe that The Swish Group Limited will be able to pay its debts as and when they become due and payable.

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

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

Andrew Plympton
Non-Executive Chairman

Melbourne
17 March 2010

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Independent auditor's report to the members of The Swish Group Limited

Report on the Financial Report

We have audited the accompanying financial report of The Swish Group Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, 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 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 the 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 is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2 (b), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion:

1. the financial report of The Swish Group Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of The Swish Group Limited and the consolidated entity at 30 June 2009 and of their 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*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 2(c) in the financial report which indicates that the company and the consolidated entity incurred net losses of $2,805,450 and $3,819,190 respectively during the year ended 30 June 2009 and, as of that date, the company and the consolidated entity's current liabilities exceeded their total assets by $1,342,979 and $2,677,761 respectively. As described in Note 2 (c) the company and the consolidated entity entered into voluntary administration on 27 August 2009. Subsequent to entering into voluntary administration, the company and consolidated entity entered into a Deed of Company Arrangement on 17 December 2009. The ability of the entity to continue as a going concern is dependent upon the Company being successful in:

- Receiving the support of its shareholders in approving the recapitalisation proposal stated in the financial report;
- Being released from its liabilities upon the Deed of Company Arrangement being effectuated; and
- Being successfully re-listed on the Australian Stock Exchange.

Without the company achieving each of the matters outlined above, there is significant uncertainty whether the company and the consolidated entity will continue as going concerns, and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the company and/or the consolidated entity not continue as going concerns.

In particular, the financial report does not include any adjustments as a result of the company and consolidated entity's entry into voluntary administration, and into a Deed of Company Arrangement. These events were subsequent to the financial period, and in accordance with the requirements of AASB 110 *Events Subsequent to Balance Date*, these events do not constitute an adjusting event. The going concern basis of accounting has been applied to the financial report as per the requirements of the standard, including the requirement that management has not determined after the reporting date that it either intends to liquidate the entity, or to cease trading, or that it has no realistic alternative but to do so.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 15 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

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

Ernst & Young

Ernst & Young

Robert J Dalton
Partner
Melbourne
17 March 2010

THE SWISH GROUP LIMITED
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)
ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 28 August 2009, subsequent to the suspension of trading of the Company's shares.

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of share are:

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	262	156,491
1,001 - 5,000	506	1,366,754
5,001 - 10,000	146	1,137,708
10,001 - 100,000	295	12,224,396
100,001 and over	376	1,268,789,262
	1,585	1,283,674,611
Holdings less than a marketable parcel	1,256	21,232,928

(b) Twenty Largest Holders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
	Name	Number of Shares	Percentage of Ordinary Shares
1	Serec Pty Ltd	124,500,000	9.70%
2	Media Entertainment Pty Ltd*	70,520,000	5.49%
3	Ganbros Pty Ltd	50,000,000	3.90%
4	Cantori Pty Ltd	47,500,000	3.70%
5	Ms. Lora Jean Osborne	46,000,000	3.58%
6	Pebeen Pty Ltd	45,000,000	3.51%
7	Citywest Corp Pty Ltd	43,000,000	3.35%
8	DR. Leon Eugene Pretorius	31,500,000	2.45%
9	Bodie Investments Pty Ltd*	30,000,000	2.34%
10	CPS Holdings Pty Ltd*	30,000,000	2.34%
11	Yavern Creek Holdings Pty Ltd	26,000,000	2.03%
12	Aurisch Investments Pty Ltd	25,806,301	2.01%
13	Alturas Nominees Pty Ltd	25,000,000	1.95%
14	Nelson River International Pty Ltd	24,562,500	1.91%
15	Mungala Investments Pty Ltd	21,000,000	1.64%
16	Stebur Investments Pty Ltd*	21,000,000	1.64%
17	Mr. John Ernest Lynch	20,000,000	1.56%
18	Mr. Paul Ganim	18,428,410	1.44%
19	CPS Holdings Pty Ltd*	17,535,133	1.37%
20	Mr. Darryl Somerville & Mrs. E Somerville	17,500,000	1.36%
	Total	734,852,334	57.25%

* Associated with Directors

(c) Substantial Shareholders (greater than 5%)

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

Ordinary Shareholders	Ordinary Shares Number	Ordinary Shares Percentage
Mr. Angus Edgar	145,500,000	11.33%
Media Entertainment Pty Ltd*	70,520,000	5.49%

* Associated with Directors

(d) Voting Rights

All ordinary shares carry one vote per share without restriction.

(e) Options

The following options are outstanding:

Options carried forward at end of financial year ended 30 June 2009	Number of Options	Grant Date	Vesting Date	Expiry Date	Weighted Average Exercise Price
Employees and contractors	100,000	15 Mar 2006	15 Mar 2006	15 Mar 2011	$0.02
Director Mr Cary Stynes	6,000,000	29 Nov 2006	1 Dec 2006	30 Nov 2011	$0.02
Director Mr Stephen Layton	2,000,000	29 Nov 2006	1 Dec 2006	30 Nov 2011	$0.03
Director Mr William Graham	2,000,000	29 Nov 2006	1 Dec 2006	30 Nov 2011	$0.04
Investors	25,000,000	20 Dec 2006	20 Dec 2006	31 Jan 2010	$0.02
Pro rata rights issue	220,302,342	30 March 2008	30 March 2008	31 Jan 2010	$0.02
Investors	15,000,000	8 May 2008	8 May 2008	31 Jan 2010	$0.02
Employees and contractors	10,300,000	15 Mar 2009	15 Nov 2009	15 Mar 2011	$0.02
Total	280,702,342				$0.02