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

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2011	2010	**MOVEMENT**	
	$	$	$	%
Revenue related to the continuing operations	**7,202,649**	**7,414,835**	(212,186)	(3)
Earnings before interest, tax, depreciation, amortisation and option expense from continuing operations	**1,031,355**	**1,755,716**	(724,361)	(41)
Net loss before tax attributable to members from continuing operations	**(505,359)**	**(38,931)**	(466,428)	(1,198)
Net profit/(loss) after tax attributable to members from continuing operations	**(553,032)**	**12,848**	(565,880)	(4,405)
Revenue comparison based on 2010 foreign exchange rates	**7,705,374**	**7,414,835**	290,539	4

Review of Operations

Preliminary Full Year 2011 Results

The 2011 Financial Year produced a net loss after tax of $0.553m as compared to a net profit after tax of $0.013m in 2010.

Revenue for the 2011 financial year period was adversely impacted by the strengthening of the Australian Dollar, which saw year-on-year revenue reduced by three per cent versus 2010 financial year. Organic revenue growth was also affected somewhat by the softer economic environment in some markets including Europe. On a like-for-like basis however, with revenues adjusted for the effects of foreign exchange movements, revenue grew by $0.29m from $7.41m to $7.71m, or four per cent.

Revenues were also affected by a longer than expected sales cycle. The effect of this saw revenues which had been anticipated to commence in the second half of financial year delayed until the first half of 2012 financial year. Most importantly, the company secured material new contracts in the second half of the current period (see commentary below), from which new revenues will flow commencing the first half of 2012 financial year.

Furthermore, some significant sign on fees already invoiced in full have for accounting purposes been deferred into the 2012 financial year. These sign on fees relate to major contracts secured in the second half of the 2011 financial year.

The combined effect of revenue lost to currency movement of $0.51m, and timing issues associated with the commencement of new business, saw a corresponding impact on earnings before interest, tax, depreciation and amortisation, and net profit before tax. Earnings before interest, tax, depreciation and amortisation were $1.03m, a reduction of 41 per cent on the previous year, and net profit before tax was a loss of $0.51m versus a loss of $0.04m in 2010, a variance of $0.47m.

Continued focus on the management of costs saw costs reduced by $0.25m from the first to the second half of the 2011 financial year, a reduction of eight per cent which will produce ongoing savings into 2012 financial year. However, for the 12 months to 30 June, 2011, non-recurring expenses in the form of market establishment and compliance costs in both US and China, contributed to an increase in total expenses for the full year (excluding amortisation and depreciation) of seven per cent.

Notwithstanding the volatile global economic and currency environment, the Company believes that sales and technology milestones achieved in the current period places the Company in a sound position to deliver a significantly improved trading performance in 2012 financial year and beyond.

Significant Sales Progress

Despite a delay in finalising major new contracts, the Group successfully completed large contract negotiations and progressed key deployment projects. This ensures the Group is well placed for revenue growth commencing the first half of the 2012 financial year.

Sales and revenue related milestones for FY12 include:

- The Company secured an exclusive global contract for its *Symphony* platform with Mediabrands, one of the world's largest international agency groups. The Mediabrands contract is the most significant in the Company's history, and is the first global agreement of its kind for the media industry. Mediabrands have commenced deployment of *Symphony* in Germany and China from which revenues will begin to flow in the first half of the 2012 financial year.
- Significant progress was made in the ongoing deployment of *Symphony* across APAC for GroupM, the world's largest media agency group, with deployments into Australia and Singapore concluded in the second half of 2011 financial year from which revenues are now flowing. In addition, deployment projects for China, Malaysia and Japan commenced, which will see revenues commence in the first quarter of the 2012 financial year.
- Off the back of successful deployments in Australia and South East Asia, a contract was secured with GroupM to deploy *Symphony* into Japan. The deployment project has commenced and will see revenues commence in second quarter of the 2012 financial year.

The geographical diversity of these contracts will see revenue from offshore operations grow significantly in the 2012 financial year, building on the 63 per cent of revenue already derived from markets other than Australia in the 2011 financial year. A continued focus throughout 2011 financial year on innovation and global sales has resulted in securing international contracts which will drive revenue growth for 2012 financial year and beyond.

Sales progress is also being made with a number of other regional and international agency groups. The Company is in various stages of discussion, negotiation and pilot with these groups.

Building on recent sales success and the revenue growth this will deliver, and the pressing need for media agencies to automate workflow and trading, the Company is confident further sales success will follow given the Company's strong category leadership in this area.

Furthermore, the Company believes the capture of significant market share in the emerging online workflow and trading sector will be a key driver of long term strategic value.

Major Technology Enhancements

Continued investment in technology saw major enhancements to the core platforms *Symphony* and FFA (*Facilitate for Agencies*), released in the third and fourth quarters of the 2011 financial year respectively. These enhancements are valuable as they provide the functionality and scale through which we will successfully service large user volumes and activity across our primary technology hubs in North America, Europe and Australia.

Other product milestones include:

- full double byte enablement of both FFA and Symphony;
- translation of Symphony into Chinese and German;
- management of cascading multiple discount schedules for markets such as Europe, China, Japan;
- management of local tax schedules for markets such as Europe, China, Japan;
- campaign performance forecasting;
- electronic trading and purchase order management;
- phase 2 integration with adserver API's;

In support of new revenues from deployments for Mediabrands and GroupM in China, the Company has registered (8 July, 2011) a Chinese entity and established operations in Shanghai. The Shanghai business is now the Group's base of operations for the broader Asian region, including South East Asia, China and Japan.

The Group's growing presence in China aligns with broader opportunities as the Chinese economy expands. China has already overtaken Japan and Germany to become the world's second largest economy, and is expected to surpass Japan as the second largest advertising market in the world in 2011 (source: eMarketer).

Corporate Update

Against this overall backdrop of putting in place a sales and technology platform for continued growth, there is significant interest being shown in the Company's technologies and products from a number of global groups.

In May the Company stated that it had appointed M H Carnegie & Co as an Advisor and that it had received informal and incomplete approaches from a number of parties regarding the Company's interest in being acquired.
A number of discussions are ongoing and the Company is encouraged by the interest being shown from various parties.

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no dividend has been paid or declared during the financial year.

Financial Position

The net assets of the Facilitate Group have increased by $33,940 from $4,718,106 at 30 June 2010 to $4,752,046 at 30 June 2011. The cash balance at 30 June 2011 was $1.337m.

The *current ratio* (current assets to current liabilities) decreased from 1.46 at 30 June 2010 to 1.33 as at 30 June 2011.

The Group has continued to invest extensively in research and development to continually enhance its product suite and maintain leadership as a provider of digital marketing solutions.

The Directors believe the Group is in a stable financial position to continue to expand and grow its current operations.

In Summary

Facilitate Digital is well positioned for the 2012 financial year and beyond by virtue of:

- Significant new business contracts recently secured, including the global contract with Mediabrands and continued deployments for GroupM across APAC, including large markets such as China and Japan;
- A clearly differentiated and unique product offering that meets a pressing need for media agencies around the world;
- Unrivalled experience deploying workflow and trading technology into agencies and markets around the world;
- A sales and service footprint encompassing large, strategic markets such as Germany, China and US;
- Continued cost management discipline as evidenced by the downward trend in second half expenses;
- Retention of key talent to manage and grow international operations.

Key industry trends further strengthen the Company's growth prospects in the form of:

- Continued growth of the digital media sector generally. Digital advertising now accounts for $2.45b in Australia alone and is growing at approximately 20 per cent per annum. This growth trajectory is also evident in major markets around the world;
- Advertisers will continue to redirect budgets into digital media given its highly accountable nature and the general convergence of media platforms;
- Agencies and their clients want to work with technology and technology providers that are independent. As such Facilitate Digital's independence is seen as increasingly valuable and industry awareness and knowledge of its products and value proposition has grown significantly;
- Agencies are entirely dependent on technology to service their client's digital media advertising spend;

- Facilitate Digital offers a clearly differentiated technology that directly addresses the market's need to secure operational and process efficiencies.

Significant Events

The following significant changes in the state of affairs of the Company occurred during the financial year:

(a) Capital raising

On 30th June, 2011, 8,824,693 fully paid ordinary shares, at $0.08 per share, were issued through a fully underwritten 1 for 14 rights issue. The proceeds from the issue are being utilised for working capital purposes.

(b) New regional and global contracts

On 1st July 2010, the Company announced it had secured a regional contract with Citibank. Refer "ASX: FAC Release July 1st, 2010" for further details.

On 29th March 2011, the Company announced it had secured an exclusive global contract with Mediabrands – one of the world's largest media agency groups. Refer "ASX: FAC Release March 29th, 2011" for further details.

Consolidated statement of financial position

as at 30 June 2011

	Notes	Consolidated 2011	2010
		$	$
ASSETS			
Current Assets			
Cash & cash equivalents	6	**1,336,933**	1,435,366
Trade and other receivables	7	**1,653,703**	1,720,053
Other current assets	8	**21,486**	7,333
Total Current Assets		**3,012,122**	3,162,752
Non Current Assets			
Property, plant and equipment	9	**195,485**	157,484
Goodwill and intangible assets	10	**3,512,542**	3,230,864
Other non-current assets	8	**487,665**	470,745
Total Non Current Assets		**4,195,692**	3,859,093
Total Assets		**7,207,814**	7,021,845
LIABILITIES			
Current Liabilities			
Trade and other payables	11	**1,760,069**	1,624,057
Finance lease liabilities		**37,726**	32,865
Current tax liabilities		**43,485**	44,670
Other current liabilities	12	**427,159**	468,052
Total Current Liabilities		**2,268,439**	2,169,644
Non Current Liabilities			
Finance lease liabilities		**18,806**	65,730
Other non-current liabilities	12	**168,523**	68,365
Total Non Current Liabilities		**187,329**	134,095
Total Liabilities		**2,455,768**	2,303,739
Net Assets		**4,752,046**	4,718,106
EQUITY			
Issued Capital		**14,703,743**	14,014,642
Foreign Currency Translation Reserve		**(322,565)**	(206,526)
Other Reserves		**334,596**	320,686
Retained Earnings/(Accumulated losses)	13	**(9,963,728)**	(9,410,696)
Total Equity		**4,752,046**	4,718,106

Consolidated statement of comprehensive income

for the year ended 30 June 2011

	Notes	Consolidated 2011 $	Consolidated 2010 $
Continuing Operations			
Rendering of services	3	**7,185,481**	7,395,755
Interest revenue		**17,168**	19,080
Revenue		**7,202,649**	7,414,835
Cost of Sales		**(1,153,867)**	(948,534)
Gross Profit		**6,048,782**	6,466,301
Other income	3	**102,210**	95,377
Marketing expenses		**(33,008)**	(40,263)
Occupancy expenses		**(457,276)**	(429,408)
Administrative expenses		**(4,601,119)**	(4,480,524)
Amortisation of capitalised development costs		**(1,436,820)**	(1,643,737)
Finance costs		**(49,248)**	(33,004)
Gain/(loss) on foreign exchange		**(78,880)**	26,326
Profit/(loss) for the period before income tax		**(505,359)**	(38,931)
Income tax benefit/(expense)	5	**(47,673)**	51,779
Profit/(loss) for the period after income tax		**(553,032)**	12,848
Other comprehensive income			
Foreign currency translation reserve		**(116,039)**	(93,987)
Other comprehensive income for the period, net of tax		**(116,039)**	(93,987)
Total comprehensive loss for the period		**(669,071)**	(81,139)

	2011	2010
EARNINGS/(LOSS) & NET TANGIBLE ASSETS PER SHARE	**Cents**	Cents
Earnings/(loss) per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company		
Basic and diluted earnings / (loss) per share	**(0.42)**	0.01
Net tangible assets per share attributable to members of Facilitate Digital		
Net tangible assets per share from continuing operations	**0.89**	1.14

Consolidated statement of changes in equity

for the year ended 30 June 2011

Consolidated	Ordinary Shares	Retained Earnings	ESOP Reserve	Foreign Currency Translation	Total
	$	$	$	$	$
Balance at 1 July 2009	**13,298,055**	**(9,423,544)**	**264,247**	**(112,539)**	**4,026,218**
Profit for the period	-	12,848	-	-	12,848
Other comprehensive income	-	-	-	(93,987)	(93,987)
Total comprehensive loss for the period	-	12,848	-	(93,987)	(81,139)
Shares issued during the year	760,326	-	-	-	760,326
Costs of equity raising	(43,739)	-	-	-	(43,739)
Share based payments	-	-	56,439	-	56,439
Sub-total	716,587	12,848	56,439	(93,987)	691,887
Balance at 30 June 2010	**14,014,642**	**(9,410,696)**	**320,686**	**(206,526)**	**4,718,106**
Loss for the period	-	(553,032)	-	-	(553,032)
Other comprehensive income	-	-	-	(116,039)	(116,039)
Total comprehensive loss for the period	-	(553,032)	-	(116,039)	(669,071)
Shares issued during the year	705,975	-	-	-	705,975
Costs of equity raising	(16,874)	-	-	-	(16,874)
Share based payments	-	-	13,910	-	13,910
Sub-total	689,101	(553,032)	13,910	(116,039)	33,940
Balance at 30 June 2011	**14,703,743**	**(9,963,728)**	**334,596**	**(322,565)**	**4,752,046**

Consolidated statement of cash flows

for the year ended 30 June 2011

	Note	Consolidated	
		2011	2010
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		**7,589,713**	7,492,228
Payments to suppliers and employees (inclusive of GST)		**(6,418,802)**	(6,158,857)
Capitalised development costs		**(1,718,498)**	(1,862,738)
Government grants		**31,985**	-
Finance costs		**(49,248)**	(33,004)
Income tax paid		**(46,791)**	(51,306)
Net cash used in operating activities		**(611,641)**	(613,677)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(117,290)**	(78,582)
Disposal of property, plant and equipment		**2,953**	2,768
Interest received		**17,168**	19,080
Net cash used in investing activities		**(97,169)**	(56,734)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**705,975**	760,326
Cost of equity raising		**(16,874)**	(43,739)
Net cash provided from financing activities		**689,101**	716,587
Net increase (decrease) in cash held		**(19,709)**	46,716
Net foreign exchange differences		**(78,724)**	(36,759)
Cash at beginning of financial year		**1,435,366**	1,425,950
Cash and cash equivalents held at end of financial year	6	**1,336,933**	1,435,366

NOTES TO THE PRELIMINARY FINAL REPORT

NOTE 1: BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

This Preliminary Final Report has been prepared in accordance with ASX listing rule 4.3A and is based on the Annual Financial Report which is in the process of being audited. The Preliminary Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

This Preliminary Final Report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Facilitate Digital Holdings Limited and its controlled entities as the Annual Financial Report. The presentation and classification of comparative items in the financial report has been adjusted where appropriate to ensure that the disclosures are consistent with the current period.

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows and as outlined in note 4.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2010:

- ► AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 8, 107, 136 & 139]* effective 1 January 2010
- ► AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]* effective 1 February 2010
- ► AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* effective 1 July 2010

The adoption of the Standards or Interpretations set out above is not deemed to have an impact on the financial statements or performance of the Group.

Continuation as a going concern

The accounts have been prepared on a going concern basis and the Directors are confident that the company can meet its debts as and when they become due and payable.

NOTE 2: OPERATING SEGMENTS

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

The Group sells primarily one product therefore the reportable segments are based on the geographic location of each business unit.

The operating segments are organised and managed separately in each location, with all units providing the same product, but with each segment representing a strategic business unit.

Transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between operating segments. Those transfers are eliminated on consolidation.

Operating segments

The following table presents revenue and profit information and certain asset and liability information regarding operating segments for the years ended 30 June 2011 and 30 June 2010.

	Continuing Operations			
	Asia Pacific	**Europe**	**Other**	**Total**
Revenue for the year ended 30 June 2011				
Sales to external customers	3,612,745	2,729,954	842,782	7,185,481
Interest revenue	17,162	6	-	17,168
Total revenue per the statement of comprehensive income	3,629,907	2,729,960	842,782	7,202,649
Result for the year ended 30 June 2011				
Segment net operating profit/(loss) after tax	(766,170)	389,224	(176,086)	(553,032)
Income tax expense/(benefit)				47,673
Net profit/(loss) before tax per the statement comprehensive income				(505,359)
Assets and liabilities				
Segment assets	2,411,369	830,855	453,048	3,695,272
Intangibles	3,352,215	160,327	-	3,512,542
Total assets	5,763,584	991,182	453,048	7,207,814
Segment liabilities	1,966,591	204,276	284,901	2,455,768
Total liabilities	1,966,591	204,276	284,901	2,455,768

	Continuing Operations			
	Asia Pacific	Europe	Other	Total
Other segment information	**Asia Pacific**	**Europe**	**Other**	**Total**
Capital expenditure	(107,484)	(7,532)	(2,274)	(117,290)
Depreciation and amortisation	(1,481,943)	(27,276)	(22,597)	(1,531,816)
Other non-cash expenses	39,886	12,333	(18,118)	34,101

	Continuing Operations			
	Asia Pacific	Europe	Other	Total
Revenue for the year ended 30 June 2010				
Sales to external customers	3,698,768	2,942,532	754,455	7,395,755
Interest revenue	19,073	7	-	19,080
Total revenue per the statement of comprehensive income	3,717,841	2,942,539	754,455	7,414,835
Result for the year ended 30 June 2010				
Segment net operating profit/(loss) after tax	337,241	(74,264)	(250,129)	12,848
Income tax expense/(benefit)				(51,779)
Net profit/(loss) before tax per the statement comprehensive income				(38,931)
Assets and liabilities				
Segment assets	2,233,472	938,070	619,439	3,790,981
Intangibles	3,070,536	160,327	-	3,230,864
Total assets	5,304,008	1,098,398	619,439	7,021,845
Segment liabilities	1,795,492	206,846	301,402	2,303,740
Total liabilities	1,795,492	206,846	301,402	2,303,740
Other segment information	**Asia Pacific**	**Europe**	**Other**	**Total**
Capital expenditure	(28,232)	(49,423)	(927)	(78,582)
Depreciation and amortisation	(1,715,288)	(19,525)	(24,968)	(1,759,781)
Other non-cash expenses	(137,037)	(28,408)	(18,014)	(183,459)

Note 3: REVENUE, INCOME AND EXPENSES

	Facilitate Group	
	2011	2010
	$	$
Other income		
Government grants	**51,078**	50,000
Unwinding of discounting on deferred consideration receivable	**51,132**	45,377
Total income	**102,210**	95,377

Reported revenues include contract commencement fees in respect of contracts signed prior to the end of the financial year.

The amount recognised represents management's best estimate of the proportion of the fees earned in respect of services performed prior to the end of the financial year in respect of the relevant contracts.

NOTE 4: REVISION OF ACCOUNTING ESTIMATES

During the year, the company reassessed the period over which capitalised development costs were being amortised from 48 months to 60 months. As a result, the change in amortisation has been applied prospectively from 1 January 2011. The net effect of this change in the current financial year was a decrease in the amortisation charge of $514,591.

The revised method will also effect the amortisation of development costs in the following financial years, with decreases in the amortisation charge of $433,299 (2012) and $55,709 (2013).

During the 2010 year, the company ceased using services relating to implementation and management of the company’s products. As a result the estimation of fees payable for these services was revised down. The net effect of the changes in the 2010 financial year was a decrease in cost of sales of $321,492, the revised estimate will have no further effect in future years.

NOTE 5: INCOME TAX

Income Tax Expense

	Consolidated	
	2011	2010
	$	$
Accounting loss before tax from continuing operations	**(505,360)**	(38,931)
At the Parent Entity's statutory income tax rate of 30% (2010: 30%)	**(149,537)**	(11,679)
Adjustment in respect of current income tax of previous years	**12,417**	(116,998)
Foreign tax rate adjustment	**10,217**	32,451
Non-deductible expenses	**12,512**	(20,812)
Tax losses utilised	**-**	(45,388)
Research & development claim	**(164,307)**	(186,609)
Current year losses not recognised	**332,306**	318,237
Other	**(5,934)**	(20,980)
Aggregate income tax expense/(benefit)	**47,673**	(51,779)

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	2011	2010
	$	$
Cash at bank and in hand	**1,336,933**	1,435,366
Cash and cash equivalents	**1,336,933**	1,435,366
Reconciliation of cash		
For the purpose of the statement of cash flows, cash and cash equivalents are comprised of the following:		
Cash and cash equivalents	**1,240,218**	1,435,366
Term deposit #	**96,715**	-
	1,336,933	1,435,366

The term deposit is restricted as it must be held as security for a bank guarantee.

NOTE 7: TRADE AND OTHER RECEIVABLES

	2011	2010
	$	$
Trade receivables	**1,523,374**	1,661,149
Provision for impairment of trade receivables	**(23)**	(7,207)
Other receivables	**130,352**	66,111
Total trade and other receivables	**1,653,703**	1,720,053

NOTE 8: OTHER ASSETS

	2011	2010
	$	$
Current		
Prepayments	**20,877**	7,333
Other assets	**609**	-
Total current other assets	**21,486**	7,333
Non-current		
Deferred consideration receivable	**454,301**	403,169
Other non-current assets	**33,364**	67,576
Total non-current other assets	**487,665**	470,745

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2011	2010
	$	$
Plant and equipment		
Cost	**377,369**	342,577
Accumulated depreciation	**(296,532)**	(262,703)
Net carrying value	**80,837**	79,875
Computer software		
Cost	**60,706**	24,366
Accumulated depreciation	**(17,360)**	(14,031)
Net carrying value	**43,346**	10,335

	2011	2010
	$	$
Furniture, fixtures and fittings		
Cost	**18,031**	19,379
Accumulated depreciation	**(16,954)**	(19,379)
Net carrying value	**1,077**	-
Leasehold improvements		
Cost	**44,061**	33,190
Accumulated depreciation	**(4,013)**	(27,537)
Net carrying value	**40,048**	5,653
Leased Assets		
Cost	**80,461**	98,595
Accumulated depreciation	**(50,284)**	(36,973)
Net carrying value	**30,177**	61,622
Total property, plant and equipment	**195,485**	157,484

NOTE 10: GOODWILL AND INTANGIBLE ASSETS

	2011	2010
	$	$
Development		
Cost	**8,511,171**	6,792,673
Accumulated amortisation and impairment	**(5,158,956)**	(3,722,136)
Net carrying value	**3,352,215**	3,070,537
Goodwill		
Cost	**160,327**	160,327
Accumulated amortisation and impairment	**-**	-
Net carrying value	**160,327**	160,327
Total intangibles	**3,512,542**	3,230,864

NOTE 11: TRADE AND OTHER PAYABLES

	2011	2010
	$	$
Current		
Trade payables	**421,321**	344,636
Sundry payables and accrued expenses	**1,338,748**	1,279,421
Total current trade and other payables	**1,760,069**	1,624,057

NOTE 12: OTHER LIABILITIES

	2011	2010
	$	$
Current		
Employee entitlements	**371,349**	424,689
Income in advance	**55,810**	43,363
Total current liabilities	**427,159**	468,052
Non-current		
Employee entitlements	**60,056**	68,365
Premises – make good allowance	**19,526**	-
Premises – rental incentive	**88,941**	-
Total non-current other liabilities	**168,523**	68,365

NOTE 13: RETAINED EARNINGS/ACCUMULATED LOSSES

	2011	2010
	$	$
Accumulated losses at the beginning of the financial year	**(9,410,696)**	(9,423,544)
Net profit /(loss) attributable to continuing operations of the Company	**(553,032)**	12,848
Accumulated losses at the end of the financial year	**(9,963,728)**	(9,410,696)

Note 14: CASH FLOW STATEMENT RECONCILIATION

Reconciliation of net profit/(loss) after tax to net cash flows from operations

	Consolidated	
	2011	2010
	$	$
Profit/(loss) after income tax	**(553,032)**	12,848
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Amortisation	**1,436,820**	1,643,737
- Depreciation	**94,997**	116,044
- Currency translation	**78,880**	(26,326)
- Share based payments expense	**13,910**	56,439
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	**49,430**	(310,678)
- (Increase)/decrease in other assets	**(1,884,674)**	(1,889,182)
- Increase/(decrease) in trade payables and accruals	**92,764**	(289,054)
- Increase/(decrease) in other payables and accruals	**59,264**	72,495
Cash flow from operating activities	**(611,641)**	(613,677)