

CCK Financial Solutions Ltd

ABN 20 009 296 673

Consolidated Entity

Financial Report for the year ended 30 June 2011

CCK Financial Solutions Ltd – Consolidated Entity

ABN 20 009 296 673

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Directors' Report

Your directors present their report on CCK Financial Solutions Ltd ("CCK", "the CCK Group", "the Group") for the financial year ended 30 June 2011.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

Mr Michael Wright
Mr Joseph Wong
Ms Helen Glastras
Mr Gregory Major

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

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Mr Patrick Tan, who was appointed as company secretary on 10 December 2010.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was the research, development, sale and licensing of financial markets and risk management computer software for financial institutions and corporations.

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

OPERATING RESULTS

The consolidated loss of the Group for the financial year after providing for income tax amounted to \$2,585,966 (2010: loss \$350,085).

DIVIDENDS PAID OR RECOMMENDED

No dividend has been declared or paid in relation to the result for the year ended 30 June 2011.

REVIEW OF OPERATIONS

The revenue recorded for the year ended 30 June 2011 was \$2.1m, 51% down on the corresponding period in the previous year. The number of contracts awarded industry-wide in our key Asian market was markedly down on long term averages. This difficult market condition meant that no new client implementation revenue was recorded during this financial year. The Company successfully completed the installations for three new projects awarded in the last financial year. Since the end of the financial year, the Company has been awarded a new contract with a Bank in Indonesia.

The net loss recorded for the financial year was \$2.6m as compared to a net loss of \$0.35m in the corresponding period last year. The adverse result for the year was mainly due to the dramatically lower licence revenue owing to difficult market conditions and unfavourable exchange rate movements on the revenue received in foreign currency. Overall operating expenses were kept consistent during the year despite upward pressure on staffing costs and a slight increase to our funding cost.

The Company continues with its marketing of the treasury solution, Guava, within Australia and Asia and working with partners to secure new clients. Despite a strong pipeline of interest and developing negotiations, uncertainty in global economic conditions remains a risk. The Company also continues with its R&D investment in the Guava software to further enhance its capabilities and functionalities in order to maintain it as the preferred treasury solution among the treasury and banking markets. We have also taken steps to penetrate into the small cap banking sector in Asia and are developing marketing initiatives to introduce Guava into the corporate sector in Australia.

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The Group continued its investment in the Guava software with expenditure of \$546,088 (2010: \$812,064). Amortisation of the existing software amounted to \$661,452 (2010: \$580,248).

FINANCIAL POSITION

As a result of the significantly lower revenue achieved for the year ended 30 June 2011, 51% down on the corresponding period in previous year, the Group reported negative operating cash flow over the period of \$1,963,425 (2010: negative \$234,646). Trade and other receivables were lower at period end compared to the corresponding period reflecting the lower revenue results, while a reduction in trade and other payables was largely offset by the use of the loan facility in place. Net assets of the Group decreased by \$1,342,474 to \$3,472,404 (2010: \$4,814,878)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of the affairs of the Group during the reporting period.

AFTER REPORTING DATE EVENTS**Borrowings**

The balance of the standby loan facility provided to the Group by director Mr J. Wong at period end was \$600,000. Since the period end, the loan facility has been increased by \$200,000 which remains undrawn. Further details are contained within Note 17 to the accounts.

New Clients

On 19 September 2011, the Company announced that it signed a contract with Bank Bangunan Daerah Papua in Indonesia for the supply and implementation of the Company's Guava Treasury System.

No other matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

FUTURE DEVELOPMENTS, PROSPECTS, BUSINESS STRATEGIES

The Group's strategy is to grow its client base using a mixture of direct selling and selling through partners. In order to give effect to its strategy, it is continuing to seek partners where there is a good strategic fit in particular geographies or sectors. Likely developments, prospects and business strategies in the future operations of CCK known at the date of this report have been covered generally elsewhere in the annual report. While CCK continues to meet its obligations in relation to continuous disclosure, further information on likely developments, prospects and business strategies have not been included here because, in the opinion of the directors, such disclosure would prejudice the interests of the Group.

ENVIRONMENTAL ISSUES

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

INDEMNIFYING OFFICERS

During or since the end of the financial year, the Group has paid insurance premiums totalling \$38,909 (2010: \$26,231) to indemnify directors and officers of the consolidated entity.

The Group has not provided any indemnity or insurance for an auditor of the Group.

OPTIONS

On 4th November 2008, the Group granted 930,000 options pursuant to the CCK Financial Solutions Ltd Employee Share Option Plan. The options are exercisable at 18 cents and expire 4th November 2013. Upon

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exercise of options, the allotted ordinary shares will rank equally with all other ordinary shares on issue. The options vest at the following times:

- 20% 9 months from date of grant (4th August 2009)
- 20% 21 months from date of grant (4th August 2010)
- 20% 33 months from date of grant (4th August 2011)
- 20% 45 months from date of grant (4th August 2012)
- 20% 57 months from date of grant (4th August 2013)

At 30 June 2011, all options granted on 4th November 2008 remained unexercised. Of those, 365,000 options were cancelled due to the termination of right to exercise the options leaving a balance of 565,000 unexercised options outstanding. At 30 June 2011, all 565,000 options remain unexercised while 226,000 of these options had vested.

INFORMATION ON COMPANY SECRETARY

Patrick Tan	Qualifications:	Bachelor of Accountancy, National University of Singapore Fellow CPA Member, CPA Australia
	Experience:	20 years accounting experience.

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Directors' Report

INFORMATION ON DIRECTORS

Michael E. Wright Non-Executive Director	Qualifications:	Barrister and Solicitor Fellow, Australian Institute of Company Directors
	Experience:	More than 40 years of legal practice combined with service on a number of Boards has provided wide-ranging experience in corporate / commercial activities and strategic management of projects, both in the State and overseas.
	Directorships:	Currently held directorships in other public entities: Chairman – Insurance Commission of Western Australia Deputy Chairman – State Government Insurance Corporation He has not been a director of any other ASX listed company in the last 3 years.
	Special responsibilities:	Member of the Audit and Remuneration Committees.
Joseph SM Wong Managing Director	Qualifications:	Bachelor of Science (Hons) Fellow, Institute of Actuaries (London) Fellow, Institute of Actuaries Australia Member, Australian Computer Society Fellow, Australian Institute of Company Directors
	Experience:	Former Senior Partner of Campbell, Cook and King Founded the Company in 1981. Actuary of the year in 1994 (Institute of Actuaries Australia). He has not been a director of any other ASX listed company in the last 3 years.
	Special responsibilities:	Member of the Audit and Remuneration Committees.
Helen Glastras Executive Director	Qualifications:	Bachelor of Economics Member, CPA Australia Member, Australian Institute of Company Directors
	Experience:	Established the Sydney office in 1988. Seven years in merchant banking prior to joining CCK. She has not been a director of any other ASX listed company in the last 3 years.
Gregory Major Non-Executive Director	Qualifications:	Master of Business Administration Bachelor of Civil Engineering (Hons) Bachelor of Arts (Asian Studies) Fellow, Australian Institute of Management Fellow, Financial Services Institute of Australia Graduate, Australian Institute of Company Directors
	Experience:	More than 15 years experience in a variety of Financial Services roles within wholesale banking and finance. Extensive experience working in Asia and Europe. Previously a director of Prime Commercial Bank in Pakistan. Most recently Asian Head of Commercial Banking and Executive Vice President of ABN AMRO Bank in Hong Kong. He has not been a director of any other ASX listed company in the last 3 years.
	Special responsibilities:	Member of the Audit and Remuneration Committees.

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DIRECTORS' SHAREHOLDINGS

The relevant interest of each Director in the share capital of the Company at 30 June 2011 is as follows:

Director	Associate	Ordinary Shares
JSM Wong	JSM Wong & CM Wong ¹	23,130,304 15,525,000
H Glastras	Glastras Pty Ltd ²	- 5,978,125

1. JSM Wong and CM Wong hold 7,500,000 shares as trustees of the JSM Wong Family Trust of which JSM Wong is a beneficiary. JSM Wong and CM Wong hold 8,025,000 Shares as trustee of The Wong Superannuation Fund of which JSM Wong is a member.
2. The shares are held in the name of Glastras Pty Ltd which acts as trustee for a superannuation fund of which Ms Glastras is a member.

At 30 June 2010, JSM Wong and CM Wong held 1,178,000 \$1.00 redeemable preference shares as trustees of the JSM Wong Family Trust of which JSM Wong is a beneficiary. During the period ending 30 June 2011, the Company redeemed the preference shares and issued additional Ordinary shares to Mr Wong.

MEETINGS OF DIRECTORS AND COMMITTEES

The number of Meetings of the Company's Directors, Audit Committee and Remuneration Committee held during the financial year and the attendance of Directors at those meetings was:

	Directors' Meetings		Audit Committee ^(a)		Remuneration Committee	
	Number of Meetings Attended	Number of Meetings Held Whilst in Office	Number of Meetings Attended	Number of Meetings Held Whilst in Office	Number of Meetings Attended	Number of Meetings Held Whilst in Office
Michael Wright	17	17	4	4	0	0
Joseph Wong	16	17 ^(b)	4	4	0	0
Helen Glastras	17	17	4	4	0	0
Gregory Major	17	17	4	4	0	0

(a) Helen Glastras is not a member of the Audit Committee however attended the meetings by invitation of the Chairman.

(b) Joseph Wong did not attend one meeting due to the consideration of related party transactions in which he held an interest.

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REMUNERATION REPORT (AUDITED)

Names and positions held of key management personnel in office at any time during the year were:

Directors:

Mr M. Wright	Non-Executive Director - Chairman
Mr J S M Wong	Managing Director
Ms H Glastras	Executive Director
Mr G Major	Non-Executive Director

Specified executives:

Mr F Cavaleri	General Manager, Business Development
Mr Neil Mundy	Company Secretary (resigned 12 Dec 2010)
Mr B. Rusanov	Manager of Development
Mr M. Singh	Senior Implementation Consultant
Ms J Treadwell	Manager of Treasury Consulting
Mr Patrick Tan	Company Secretary (appointed 12 Dec 2010)

Directors' Remuneration

2011	Short term benefits	Post employment benefits	Non-Cash Benefits	Total
Mr M. Wright	54,000	4,860	-	58,860
Mr J. Wong	196,000	43,800	1,180	240,980
Ms H. Glastras	206,150	30,380	-	236,530
Mr G. Major	36,700	3,303	-	40,003
Total	492,850	82,343	1,180	576,373

2010	Short term benefits	Post employment benefits	Non-Cash Benefits	Total
Mr. M. Wright	31,500	19,185	-	50,685
Mr J. Wong	191,500	49,950	11,535	252,985
Ms H. Glastras	206,150	32,008	-	238,158
Mr G. Major	15,292	1,376	-	16,668
Total	444,442	102,519	11,535	558,496

Specified Executives' Remuneration

2011	Short term benefits	Post employment benefits	Total
Mr F. Cavaleri	140,000	12,600	152,600
Mr N. Mundy	62,116	20,946	83,062
Mr B. Rusanov	130,000	11,700	141,700
Mr. M. Singh	102,600	50,109	152,709
Ms J. Treadwell	164,300	14,787	179,087
Mr P. Tan (resigned 15 August 2011)	70,992	-	70,992
Total	670,008	110,142	780,150

2010	Short term benefits	Post employment benefits	Total
Mr F. Cavaleri	148,200	13,338	161,538
Mr N Mundy	58,000	49,555	107,555
Mr B Rusanov	130,000	11,700	141,700
Mr. M. Singh	116,000	40,601	156,601
Ms J Treadwell	155,900	14,031	169,931
Total	608,100	129,225	737,325

No bonus amounts have been paid to key management personnel as a result of performance during the year.

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Specified Executives' Options

2011	Grant Date	No.	Total Value of Options \$	Percentage Vested	Percentage Unvested
Mr F. Cavaleri	04.11.08	50,000	1,988	40	60
Mr B Rusanov	04.11.08	150,000	5,965	40	60
Mr. M. Singh	04.11.08	50,000	1,988	40	60
Ms J Treadwell	04.11.08	50,000	1,988	40	60

All options granted on 4th November 2008 to the executives remain unexercised at 30 June 2011.

The purposes of the options are to:

- recognise the ability and efforts of the employees of the Company who have contributed to the success of the Company;
- provide an incentive to the employees to achieve the long term objectives of the Company and improve the performance of the Company;
- attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its employees.

Remuneration Policy

The remuneration policy of the Group is designed to align key management personnel objectives with business objectives by providing a fixed remuneration for all employees. The remuneration policy is guided by the Board while the remuneration for individual employees is determined by the executive directors. The Group aims to remunerate fairly and in line with market standards and level of responsibility.

Performance and remuneration:

While there are no specific key performance indicators set for each employee to determine the level of remuneration, there is an annual review of each employee. The review process commences with a self-assessment and is then followed by a formal review by their manager. A scorecard is developed of their performance covering all aspects of their position including such criteria as technical, analytical and communication skills, knowledge of the business, team work, time management, judgement and service. The individual's strengths and development needs are identified after a review of the performance over the preceding year and before setting the performance objectives for the coming year. In addition, staff who travel extensively are paid an allowance.

Remuneration Practices

Non-executive directors:

The remuneration of individual non-executive directors is determined by the Board and based on the demands on, and responsibilities of, those directors. A non-executive directors' fee pool was set at \$200,000 per annum at a general meeting of members in August 1999 and is not currently fully utilised. No other payments are made to non-executive directors apart from the director's fee, obligatory superannuation requirements, and the reimbursement of Company related expenses. The non-executive directors have rolling appointments without a fixed term, however, the Company's Constitution requires that one third of the directors retire from office at the annual general meeting each year but are eligible for re-election at that meeting.

Executive directors:

The Remuneration Committee is responsible for the remuneration arrangements for the executive directors of the Company. The remuneration is reviewed annually and is a fixed amount. In addition to salary, the only other payments to executive directors are obligatory superannuation requirements and

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the reimbursement of Company related expenditure. The executive directors have continuous appointment without a fixed term, however, the Company's Constitution requires that one third of the directors (excluding the Managing Director) to retire from office at the annual general meeting each year, but are eligible for re-election at that meeting.

Employment contracts:

All employees and specified executives have rolling contracts. The Company may terminate the employee or executive's employment agreement by providing 4 weeks written notice or providing payment in lieu of the notice period. The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where misconduct has occurred, the employee or executive is entitled to only that portion of remuneration accrued up to the date of termination.

PROCEEDINGS ON BEHALF OF THE COMPANY

During the year, CCK instituted action to recover amounts owing by its partner APFC Ltd in respect of the Kuo Hua Life project – refer to Note 11 for further details. APFC agreed to pay the amounts outstanding through a repayment schedule, and CCK wrote back the provisions as and when each amount was received. The final instalment was received after the end of the financial year, and the action was discontinued.

Apart from the above, no person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The lead auditor's independence declaration for the year ended 30 June 2011 follows the Directors' Report.

Fees for non-audit services paid/payable to the external auditors Grant Thornton during the year ended 30 June 2011 amounted to \$15,580 (2010: \$16,870).

Non-audit services mainly comprise of preparation and lodgement of taxation returns. The Audit Committee reviews the terms of engagement of these services to ensure they will not compromise the integrity and objectivity of the audit and the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE BOARD OF DIRECTORS


JOSEPH WONG
Managing Director

Dated at Perth this 30th day of September 2011

**Grant Thornton**

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**Auditor's Independence Declaration
To the Directors of CCK Financial Solutions Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of CCK Financial Solutions Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Director - Audit & Assurance

Perth, 30 September 2011

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Statement of Comprehensive Income
For Year Ended 30 June 2011

	Note	Consolidated Group	
		2011	2010
		\$	\$
Revenue	3	2,138,601	4,329,196
Employee benefits expense		(2,857,319)	(2,839,589)
Depreciation and amortisation expense	4	(710,815)	(638,209)
Finance costs	4	(57,716)	(839)
Computer and software expenses		(50,423)	(41,943)
Travel and accommodation expenses		(240,586)	(292,153)
Rent and communications expenses		(316,549)	(239,218)
Commissions		-	(212,545)
Other expenses		(454,138)	(430,736)
Profit/(loss) before income tax		(2,548,945)	(366,036)
Income tax benefit / (expense)	5	(37,021)	15,951
Profit / (loss) for the year		(2,585,966)	(350,085)
Other comprehensive income/(loss)			
Adjustments from translation of foreign controlled entities		(25,859)	(11,775)
Other comprehensive income for the year, net of income tax		(25,859)	(11,775)
Total comprehensive income/(loss) for the period		(2,611,825)	(361,860)
Basic earnings/(loss) cents per share	9	(3.7)	(0.7)
Diluted earnings/(loss) cents per share	9	(3.7)	(0.7)

The above statement should be read in conjunction with the accompanying notes.

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Statement of Financial Position
As at 30 June 2011

	Note	Consolidated Group	
		2011	2010
		\$	\$
Current Assets			
Cash and cash equivalents	10	839,296	1,416,669
Trade and other receivables	11	831,482	1,510,058
Other current assets	15	87,492	35,143
Total Current Assets		1,758,270	2,961,870
Non-Current Assets			
Plant and equipment	13	138,418	161,748
Deferred tax assets	18	275,936	379,804
Intangible assets	14	3,719,348	3,834,712
Total Non-Current Assets		4,133,702	4,376,264
TOTAL ASSETS		5,891,972	7,338,134
Current Liabilities			
Trade and other payables	16	213,482	498,102
Borrowings	17	27,792	14,500
Short-term provisions	19	697,084	694,190
Other current liabilities / deferred revenue	20	571,995	502,260
Total Current Liabilities		1,510,353	1,709,052
Non-Current Liabilities			
Borrowings	17	600,000	429,000
Deferred tax liabilities	18	275,936	358,779
Long-term provisions	19	33,279	26,425
Total Non-Current Liabilities		909,215	814,204
TOTAL LIABILITIES		2,419,568	2,523,256
NET ASSETS		3,472,404	4,814,878
EQUITY			
Issued capital	21	18,408,937	17,156,000
Reserves	22	6,685	16,130
Accumulated losses		(14,943,218)	(12,357,252)
TOTAL EQUITY		3,472,404	4,814,878

The above statement should be read in conjunction with the accompanying notes.

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Statement of Changes in Equity
For Year Ended 30 June 2011
Consolidated Group

	Share Capital		Retained	Dividend	Foreign	Option	Total
	Ordinary	Redeem-able Preference	Earnings	Reserve	Currency Translation	Reserve	Equity
Consolidated Group	\$	\$	\$	\$	\$		\$
Balance at 1 July 2009	15,978,000	1,178,000	(12,007,167)	37,941	(27,176)	12,174	5,171,772
Loss for the year	-	-	(350,085)	-	-	-	(350,085)
Other comprehensive income							
Exchange differences from translation of foreign operations	-	-	-	-	(11,775)	-	(11,775)
Total other comprehensive income for the year	15,978,000	1,178,000	(12,357,252)	37,941	(38,951)	12,174	4,809,912
Transactions with owners recorded directly in equity							
Share-based payment transactions	-	-	-	-	-	4,966	4,966
Balance at 30 June 2010	15,978,000	1,178,000	(12,357,252)	37,941	(38,951)	17,140	4,814,878
Balance at 1 July 2010	15,978,000	1,178,000	(12,357,252)	37,941	(38,951)	17,140	4,814,878
Loss for the year	-	-	(2,585,966)	-	-	-	(2,585,966)
Other comprehensive income							
Exchange differences from translation of foreign operations	-	-	-	-	(25,859)	-	(25,859)
Total other comprehensive income for the year	15,978,000	1,178,000	(14,943,218)	37,941	(64,810)	17,140	2,203,053
Transactions with owners recorded directly in equity							
Share-based payment transactions	-	-	-	-	-	16,414	16,414
Issue of ordinary shares	2,491,113	-	-	-	-	-	2,491,113
Redemption of preference shares	-	(1,178,000)	-	-	-	-	(1,178,000)
Transaction costs, net of tax	(60,176)	-	-	-	-	-	(60,176)
Balance at 30 June 2011	18,408,937	-	(14,943,218)	37,941	(64,810)	33,554	3,472,404

The above statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For Year Ended 30 June 2011

	Note	Consolidated Group	
		2011	2010
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		2,827,818	5,036,025
Payments to suppliers and employees (inclusive of GST)		(4,741,442)	(5,273,177)
Interest received		13,366	11,870
Finance costs		(57,716)	(839)
Income tax paid/(received)		(5,451)	(8,525)
Net cash used in operating activities	26a	(1,963,425)	(234,646)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	1,146
Purchase of property, plant and equipment		(35,661)	(83,894)
Net cash used in investing activities		(35,661)	(82,748)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,313,113	-
Payment of transaction costs		(76,172)	-
Proceeds from borrowings		200,000	400,000
Net cash provided by financing activities		1,436,941	400,000
Net increase/(decrease) in cash and cash equivalents		(562,145)	82,606
Cash and cash equivalents at beginning of financial year		1,416,669	1,320,512
Effect of exchange rates on cash holdings in foreign currencies		(15,228)	13,551
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	10	839,296	1,416,669

The above statement should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of CCK Financial Solutions Ltd and controlled entities ("CCK", "the Group", "the CCK Group",).

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial liabilities.

The financial statements were authorised for issue on 30 September 2011 by a resolution of the Directors.

Accounting Policies**a. Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of the entities controlled by CCK Financial Solutions Ltd at the end of the financial period. A controlled entity is any entity over which CCK Financial Solutions Ltd has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half the voting power on an entity. In assessing the power to govern, the existence and affect of holdings of actual and potential voting rights are also considered.

A list of controlled entities is contained in Note 28 to the financial statements. All controlled entities have a June financial year-end.

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

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

b. Income Tax

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

CCK Financial Solutions Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated Group under the tax consolidation regime. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each Group entity is then subsequently assumed by the parent entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated Group to apply from 1 July 2002.

c. Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Furniture and equipment	8 – 12%
Computer equipment	10 – 24%
Leasehold improvements	33%

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

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

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

d. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated entity, are classified as finance leases.

Finance leases are capitalised at the inception of the lease by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. Impairment of non-financial assets

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

Impairment testing is performed half yearly on intangible assets with indefinite lives.

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

f. Intangibles**Research and development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project. The remaining useful life of development costs is considered to be 10 years and they are amortised over a 10 year period.

g. Foreign Currency Transactions and Balances**Functional and presentation currency**

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

Transaction and balances

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

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income.

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

Group companies

The financial results and position 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
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

h. Employee Benefits

Wages & salaries:

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

Annual and Long Service Leave:

Provision is made for the Group's liability for employee annual leave and long service leave benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Consideration is given to expected wage and salary levels, experience of employee departures, and the periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies to match, as closely as possible, the estimated future cash flows.

Equity-settled compensation:

The Group operates an equity-settled share-based employee option scheme. The fair value of equity to which employees become entitled is measured by grant date and recognised as expense over the vesting period, with corresponding increase in equity account. The fair value of options is ascertained using a Black-Scholes pricing model incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services rendered as consideration for the equity instrument granted shall be based on the number of equity instruments that eventually vest.

i. Provisions

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

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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k. Revenue

-Licence fees are recognised as revenue according to the attainment of milestones set out in the contract.

-Maintenance fees (Software update service fees) are recorded as deferred income in the statement of financial position and then taken up as revenue in the financial accounts proportionally over the year.

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

-Revenue from the rendering of other services is recognised upon the delivery of the service to the customers.

-Licence and consulting fees represent revenue earned from the sale of the economic entity's products and services, net of returns and duties and taxes paid.

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

l. Goods and Services Tax (GST)

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

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

m. Comparative Figures

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

n. Borrowing Costs

Borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

o. Critical accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of the assets and liabilities that are not readily apparent from other sources. Actual results may differ may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the details of these assumptions and conditions may be found in the relevant notes to the financial statements.

Impairment of non-financial assets

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product performance, technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Management have considered impairment of non-financial assets and determined that no impairment recognition was required.

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Capitalised development costs

Development costs are only capitalised by the Group when it can be demonstrated that the technical feasibility of completing the intangible assets is valid so the asset will be available for use or sale. The Group determines whether the intangible asset is impaired at the end of the reporting period. This requires the estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology.

In addition to cash flow considerations, there is an in depth analysis of all the major factors that may indicate impairment of the intangible asset. These factors include the changes to the markets in which the Company operates, licence fees generated over the period, and the overall performance achieved compared to cash flow forecasts and budgets. The discounted cash flow calculations are subjected to a sensitivity analysis to test for a range of exchange rates. The cash flow forecasts considered cover a period of five years and combine cash flow from contracts already entered into and contracts expected to be won during the forecast period. A Pre-tax discount rate of 17.5% has been used in all assumptions.

No impairment has been recognised at the end of the reporting period. Refer to a note 14 for further details.

Provision for impairment of receivables

The amount of \$65,359 provided for in the accounts as at 30 June 2011 has been subsequently received on 27 July 2011. The amount of \$150,932 for the corresponding year 2010 has been fully recovered as well.

Refer to note 11 for further details.

Taxation

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Judgements are also required about the application of income tax legislation. These judgements are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of the recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

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Share-based payment transactions

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

p. Financial Instruments*Recognition and Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

Loans and receivables

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

Financial Liabilities

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

Fair value

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

Impairment

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

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q. Going concern

During the period, the consolidated entity has incurred operating losses of \$2,585,966 (2010: \$350,085) and incurred negative cash flows from operations of \$1,963,425 (2010: \$234,646).

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

The Directors consider this to be appropriate for the following reasons:

- The Group has adequate current financial resources and also expects net cash inflows from the successful sale of its Guava software over the coming year. In this respect, the financial year has started well, with a new sale announced since reporting date, another sale which is in the final stages of negotiations and a healthy pipeline of potential sales. Furthermore, the Group is considering means of increasing its capital base to fund its expansion plans. As a consequence, the directors believe the Group is well placed to manage its business risks successfully and meet its obligations as and when they fall due. Further information is detailed in Note 27 after reporting date events.

The Directors recognise that the adverse financial result represents a material uncertainty as to the Company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. However, by taking into account the points noted above and elsewhere in this report, the Directors are confident the Company has adequate resources to continue in operational existence for the foreseeable future.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS.**New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

- **AASB 9: Financial Instruments** (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

- **AASB 124: Related Party Disclosures** (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Group.

- **AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements** [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2010–2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

- **AASB 2009–12: Amendments to Australian Accounting Standards** [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Group.

- **AASB 2009–14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement** [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the Group.

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– **AASB 2010–4:** Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Group.

– **AASB 2010–5:** Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

– **AASB 2010–6:** Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Group.

– **AASB 2010–7:** Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Group has not yet determined any potential impact on the financial statements from adopting AASB 9.

– **AASB 2010–8:** Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

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Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Group.

– **AASB 2010–9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]** (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Group.

– **AASB 2010–10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009–11 & AASB 2010–7]** (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009–11 will only affect early adopters of AASB 2009–11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010–7.]

This Standard is not expected to impact the Group.

– **Carbon Tax Scheme**

On 10 July 2011, the Commonwealth Government announced the “Securing a Clean Energy Future – the Australian Government’s Climate Change Plan”. Whilst the announcement provides further details of the framework for a carbon pricing mechanism, uncertainties continue to exist on the impact of any carbon pricing mechanism on the Group as legislation must be voted on and passed by both houses of parliament. In addition, as the Group will not fall within the “Top 500 Australian Polluters”, the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices. The Board expects that this will not have a significant impact upon the operational costs within the business, and therefore will not have an impact upon the valuation of assets and/or going concern of the business.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 3: REVENUE

	Note	Consolidated Group	
		2011	2010
		\$	\$
Revenue:			
— Licence, maintenance and consulting fees		1,713,403	4,079,611
— interest received – other persons		13,366	11,868
— R&D tax concession		304,524	208,984
— Other revenue		107,308	28,733
Total Revenue		<u>2,138,601</u>	<u>4,329,196</u>

NOTE 4: PROFIT/(LOSS) FOR THE YEAR

	Note	Consolidated Group	
		2011	2010
		\$	\$
a. Expenses			
Finance costs:			
— external		57,716	839
Depreciation of non-current assets:			
— Furniture and equipment		55,936	63,864
Less capitalised portion		<u>(6,573)</u>	<u>(5,903)</u>
Total Depreciation		49,363	57,961
Amortisation of non-current assets: Development costs		661,452	580,248
Net gain on disposal of plant and equipment		-	417
Rental expense on operating leases :			
— minimum lease payments		197,657	177,593
Foreign currency translation (profit)/ loss		179,628	55,651
Bad and doubtful debts:			
— Trade receivables		(64,630)	150,932
Employee benefit expense - options		16,414	4,967

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NOTE 5: INCOME TAX EXPENSE

	Note	Consolidated Group	
		2011	2010
		\$000	\$000
a. The major components of tax expense comprise:			
Income statement			
<i>Current income tax:</i>			
Current income charge	(596,830)		166,353
<i>Deferred income tax:</i>			
Relating to origination and reversal of temporary differences			
Under/(over) provision in respect of prior year	(65,408)	(65,322)	
	21,025	(116,982)	
Current year losses not recognised			
	678,234	-	
Income tax expense/ (benefit) reported in the statement of comprehensive income	37,021	(15,951)	
b. Prima facie tax payable / (benefit) on profit / (loss) from ordinary activities before income tax at 30% (2010: 30%)			
— consolidated Group	(764,683)	(109,811)	
— other members of the income tax consolidated Group			
	-	-	
	(764,683)	(109,811)	
Add tax effect of:			
— other non-allowable items	52,580	147,187	
Less tax effect of:			
— other non-assessable items	(11)	(84)	
— Effect of overseas tax rate	(581)	-	
— Foreign exchange	2,154	(23,620)	
— Losses of foreign subsidiaries not brought to account	48,302		
		87,359	
— Under/(over) provision in respect of prior year	21,025	-	
— Recoupment of prior year tax losses not previously brought to account	678,235	(116,982)	
Income tax expense/(benefit) attributable to entity	37,021	(15,951)	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of the parent company and specified executives in office at any time during the year were:

Parent entity directors:

Mr M. Wright	Chairman
Mr J Wong	Managing Director
Ms H Glastras	Executive Director
Mr G. Major	Non-Executive Director

Specified executives:

Mr F Cavaleri	General Manager, Business Development
Mr N Mundy	Company Secretary (resigned 12 Dec 2010)
Mr. B. Rusanov	Manager of Development
Mr M. Singh	Senior Implementation Consultant
Ms J Treadwell	Manager of Treasury Consulting
Mr Patrick Tan	Company Secretary (appointed 12 Dec 2010)

Number of ordinary shares held by Directors

2011	Balance 01.07.10	Received as Remuneration	Option Exercised	Net Change Other	Balance 30.06.11
Mr J Wong	21,677,527	-	-	16,977,777	38,655,304
Ms H Glastras	4,228,125	-	-	1,750,000	5,978,125

2010	Balance 01.07.09	Received as Remuneration	Option Exercised	Net Change Other (a)	Balance 30.06.10
Mr A. Ledger	2,514,088	-	-	(2,514,088)	-
Mr J Wong	21,677,527	-	-	-	21,677,527
Ms H Glastras	4,228,125	-	-	-	4,228,125

(a) Mr Ledger resigned as director on 19 November 2009.

Number of redeemable preference shares held by Director

2011	Balance 01.07.10	Received as Remuneration	Option Exercised	Net Change Other	Balance 30.06.11
Mr J Wong	1,178,000	-	-	(1,178,000)	-

2010	Balance 01.07.09	Received as Remuneration	Option Exercised	Net Change Other	Balance 30.06.10
Mr J Wong	1,178,000	-	-	-	1,178,000

Number of options held by Directors

There were no options held by directors during the period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Report of Directors for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2011.

The totals of remuneration paid to KMP of the Company and the Group during the year is as follows:

	2011	2010
	\$	\$
Short-term employee benefits	1,162,858	1,052,542
Non- Cash benefits	1,180	11,535
Post-employment benefits	192,485	231,744
	<u>1,356,523</u>	<u>1,295,821</u>

Number of ordinary shares held by Specified Executives

2011	Balance 01.07.10	Received as Remuneration	Option Exercised	Net Change Other	Balance 30.06.11
Mr F Cavaleri	35,000	-	-	-	35,000

2010	Balance 01.07.09	Received as Remuneration	Option Exercised	Net Change Other	Balance 30.06.10
Mr F Cavaleri	35,000	-	-	-	35,000

Number of options held by Specified Executives

2011	Balance 01.07.10	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.06.11
Mr F. Cavaleri	50,000	-	-	-	50,000
Mr N. Mundy (resigned 12 Dec 2010)	50,000	-	-	(50,000)	-
Mr B. Rusanov	150,000	-	-	-	150,000
Mr. M. Singh	50,000	-	-	-	50,000
Ms J. Treadwell	50,000	-	-	-	50,000

2011	Grant Date	Total Granted	Total Option Value	Vested during year	Vested and exercisable	Vested and un- exercisable
Mr F. Cavaleri	04.11.08	50,000	1,988	10,000	20,000	30,000
Mr B. Rusanov	04.11.08	150,000	5,965	30,000	60,000	90,000
Mr. M. Singh	04.11.08	50,000	1,988	10,000	20,000	30,000
Ms J Treadwell	04.11.08	50,000	1,988	10,000	20,000	30,000

2010	Balance 01.07.09	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.06.10
Mr F. Cavaleri	50,000	-	-	-	50,000
Mr N. Mundy	50,000	-	-	-	50,000
Mr B. Rusanov	150,000	-	-	-	150,000
Mr. M. Singh	50,000	-	-	-	50,000
Ms J Treadwell	50,000	-	-	-	50,000

2010	Grant Date	Total Granted	Total Option Value	Vested during year	Vested and exercisable	Vested and un- exercisable
Mr F. Cavaleri	04.11.08	50,000	1,988	10,000	10,000	40,000
Mr N. Mundy	04.11.08	50,000	1,988	10,000	10,000	40,000
Mr B. Rusanov	04.11.08	150,000	5,965	30,000	30,000	120,000
Mr. M. Singh	04.11.08	50,000	1,988	10,000	10,000	40,000
Ms J Treadwell	04.11.08	50,000	1,988	10,000	10,000	40,000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

On 4th November 2008, the Company granted 930,000 options pursuant to the CCK Financial Solutions Ltd Employee Share Option Plan. The options are exercisable at 18 cents and expire 4th November 2013. Upon exercise of options, the allotted ordinary shares will rank equally with all other ordinary shares on issue. The options vest at the following times:

- 20% 9 months from date of grant (4th August 2009)
- 20% 21 months from date of grant (4th August 2010)
- 20% 33 months from date of grant (4th August 2011)
- 20% 45 months from date of grant (4th August 2012)
- 20% 57 months from date of grant (4th August 2013)

During financial year 2011, 90,000 options were cancelled leaving a balance at 30 June 2011 of 565,000 options. Of these remaining options, 226,000 options had vested. No options have been exercised at 30 June 2011.

For the corresponding period at 30 June 2010, 275,000 options were cancelled and 131,000 vested. No options were exercised at 30 June 2010.

Other Key Management Personnel (KMP) transactions

There have been no other transactions involving equity instruments other than those described above. Refer Note 28 for other transactions with other KMP's.

NOTE 7: AUDITORS' REMUNERATION

	Consolidated Group	
	2011	2010
	\$	\$
Remuneration of the auditor of the parent entity, Grant Thornton Audit Pty Ltd:		
— auditing or reviewing the financial report	25,500	30,000
— taxation services provided by related practice of auditor	15,580	16,870
Remuneration of other auditors of subsidiaries for:		
— auditing or reviewing the financial report of subsidiaries	3,382	5,046

NOTE 8: DIVIDENDS

There were no dividends declared or paid during the year. (2011: Nil)

There have been no dividends declared or paid since year end. (2010: Nil)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 9: EARNINGS PER SHARE

		Consolidated Group	
		2011	2010
		\$	\$
a.	Reconciliation of earnings to profit and loss:		
	Profit / (Loss)	(2,585,966)	(350,085)
	Earnings used to calculate basic EPS	(2,585,966)	(350,085)
	Diluted profit for the period/ (loss) attributable to ordinary equity shareholders of the parent	(2,585,966)	(350,085)
		No.	No.
b.	Weighted average number of shares:		
	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	70,655,892	50,939,315

Basic earnings/(loss) cents per share (3.7) (0.7)

Diluted earnings/(loss) cents per share (3.7) (0.7)

Classification of Securities:

The redeemable preference shares were not ordinary or potential ordinary shares and have not been included in the determination of basic or diluted earnings per share as they were redeemable at the option of the Company.

Potential ordinary shares:

Neither at the end of the previous financial period nor during the current reporting period did the company have on issue options over unissued capital:

Options granted during the period:

On 4th November 2008, the Company granted 930,000 options pursuant to the CCK Financial Solutions Ltd Employee Share Option Plan. The options are exercisable at 18 cents and expire 4th November 2013. Upon exercise of options, the allotted ordinary shares will rank equally with all other ordinary shares on issue.

The options vest at 20% at each of the following times from date of grant:

9 months (4 August 2009); 21 months (4 August 2010); 33 months (4 August 2011); 45 months (4 August 2012); 57 months (4 August 2013).

During financial year 2010, 275,000 options were cancelled due to the termination of right to exercise the options leaving a balance of 655,000 unexercised options outstanding. During financial year 2011, further 90,000 options were cancelled due to the termination of right to exercise the options leaving a balance of 565,000 unexercised options outstanding. At 30 June 2011, all 565,000 options remain unexercised while 226,000 of these options had vested.

There were no options granted during the current year.

All options are considered not dilutive.

Conversion, call, subscription or issue after reporting date:

No employee options have been exercised and converted to fully paid ordinary shares since the reporting date and before the completion of these financial statements. There have been no further conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 10: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2010	2010
	\$	\$
Cash at bank and in hand	839,296	1,416,669
	<u>839,296</u>	<u>1,416,669</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	839,296	1,416,669
	<u>839,296</u>	<u>1,416,669</u>

NOTE 11: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2011	2010
	\$	\$
CURRENT		
Trade receivables	457,661	620,614
Provision for impairment of receivables	(65,359)	(150,932)
Other receivables	439,180	1,040,376
	<u>831,482</u>	<u>1,510,058</u>

There are no other balances within current trade or other receivables that contain assets that are impaired and are past due than reported above.

Provision for impairment of receivables

	Consolidated Group	
	2011	2010
	\$	\$
Opening balance	150,932	-
Receivables written off/(reversed) during the period	(85,573)	150,932
Closing balance	<u>65,359</u>	<u>150,932</u>

Through reseller agreements, CCK entered a contract with its Taiwanese partner APFC Ltd in April 2009 for the implementation of the Company's product at Kuo Hua Life (KHL) in Taiwan. Due to KHL being taken over during financial year 2010 and the uncertainty regarding the contract with CCK and APFC, the Company recognised a provision for impairment of \$150,932 as at the end of 2010. During 2011, CCK instituted action to recover amounts owing by its partner APFC Ltd in respect of the Kuo Hua Life project. APFC agreed to pay the amounts outstanding through a repayment schedule, and CCK wrote back the provisions as and when each amount was received. The final instalment was received after the end of the financial year, and the action was discontinued.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or Group of counter parties other than those receivables specifically provided for and mentioned within Note 11. The class of assets described as Trade and Other Receivables is considered the main source of credit risk related to the Group.

On a geographical basis, the Group has significant credit risk exposures in Australia given the substantial operations in that region. The Group's exposure to credit risk for receivables at reporting date in operating regions is as follows:

	Consolidated Group	
	2011	2010
	\$	\$
Current		
Australia	564,682	1,250,091
Malaysia	89,598	135,615
Philippines	53,557	124,352
Indonesia	123,645	-
	<u>831,482</u>	<u>1,510,058</u>

Details regarding foreign exchange risk and interest rate risk exposure are described in note 29. The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with aging analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer and counter party to the transaction. Receivables that are past due and assessed for impairment are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired				Within initial trade terms
			< 30	31-60	61-90	>90	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011							
Current							
Trade receivables	457,661	65,359	152,422	193,569	-	46,311	-
Other receivables	439,180	-	-	-	-	-	439,180
Total	896,841	65,359	152,422	193,569	-	46,311	439,180

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired				Within initial trade terms
			< 30	31-60	61-90	>90	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2010							
Current							
Trade receivables	620,614	150,932	114,773	51,427	49,500	253,982	-
Other receivables	1,040,376	-	-	-	-	-	1,040,376
Total	1,660,990	150,932	114,773	51,427	49,500	253,982	1,040,376

NOTE 12: CONTROLLED ENTITIES**Controlled Entities Consolidated**

Details on controlled entities have been combined within note 28, Related Party Disclosures.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2011	2010
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	1,284,663	1,866,105
Accumulated depreciation	(1,148,096)	(1,711,540)
Total Plant and Equipment	136,567	154,565
Leasehold improvements		
At cost	140,098	140,098
Accumulated amortisation	(138,247)	(132,915)
Total Leasehold Improvements	1,851	7,183
Total Property, Plant and Equipment	138,418	161,748

a. Movements in Carrying Amounts

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

	Leasehold Improve- ments	Plant and Equipment	Total
	\$	\$	\$
Consolidated Group 2011:			
Balance at the beginning of year net of accumulated depreciation	7,183	154,565	161,748
Additions	-	35,661	35,661
Disposals		(236)	(236)
Depreciation expense	(5,332)	(50,604)	(55,936)
Net foreign exchange differences arising on the translation of the financial statements of a self-sustaining foreign operation	-	(2,819)	(2,819)
Carrying amount at the end of year net of accumulated depreciation	1,851	136,567	138,418

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	Leasehold Improve- ments	Plant and Equipment	Total
	\$	\$	\$
Consolidated Group 2010:			
Balance at the beginning of year net of accumulated depreciation	30,996	111,283	142,279
Additions	3,530	79,778	83,308
Disposals	-	(6,648)	(6,648)
Depreciation expense	(27,343)	(36,521)	(63,864)
Net foreign exchange differences arising on the translation of the financial statements of a self-sustaining foreign operation	-	6,673	6,673
Carrying amount at the end of year net of accumulated depreciation	<u>7,183</u>	<u>154,565</u>	<u>161,748</u>

No items of Property, Plant and Equipment are pledged as collateral.

NOTE 14: INTANGIBLE ASSETS

	Consolidated Group	
	2011	2010
	\$	\$
Development costs		
Cost	29,738,659	29,192,571
Accumulated amortisation and impairment	(26,019,311)	(25,357,859)
Net carrying value	<u>3,719,348</u>	<u>3,834,712</u>
Total intangibles	<u>3,719,348</u>	<u>3,834,712</u>

	Development Costs	
	2010	2010
	\$	\$
Consolidated Group:		
Balance at the beginning of year	3,834,712	3,602,896
Additions	546,088	812,064
Amortisation charge	(661,452)	(580,248)
Balance at the end of the year	<u>3,719,348</u>	<u>3,834,712</u>

Description of the CCK Group's intangible assets

Development costs are carried at cost less accumulated amortisation and accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 10 years. The amortisation has been recognised in the statement of comprehensive income in the line item 'depreciation and amortisation expense'. If an impairment indication arises the recoverable amount is estimated and the impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The recoverable amount of the Group's intangible asset (Guava Treasury Management System) is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections based on the budget for the coming year extrapolated out using a licence fee average growth rate of approximately 15%. Cash flows are discounted at 17.5%. The following assumptions should be noted:

- Discount rate – the discount rate reflects the management estimate of the time value of money and the risks specific to the intangible asset that are not already reflected in the cash flows. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining the appropriate discount rate for the unit, regard has been given to the weighted average cost of capital of the entity as a whole.
- Growth rate estimate – is based on the budget for the coming year extrapolated out using a licence fee average growth rate of approximately 15%.

Sensitivity to changes in assumptions:

- Discount rates – at a higher discount rate of 25%, there is no impairment indicated by the analysis.
- Growth rates estimates – using a reduced growth rate of cash flow projections of 5% there is no impairment indicated by the analysis.

Refer to Note 1 (o) for further details. No impairment losses have been recognised during the current year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 15: OTHER ASSETS

	Note	Consolidated Group	
		2011	2010
		\$	\$
CURRENT			
Prepayments		87,492	35,143

NOTE 16: TRADE AND OTHER PAYABLES

	Note	Consolidated Group	
		2011	2010
		\$	\$
CURRENT			
Unsecured liabilities			
Trade payables		155,751	367,885
Sundry payables and accrued expenses		57,731	130,217
Carrying amount of trade and other payables		213,482	498,102

- Due to the short term nature of these payables, the carrying amount disclosed above is a reasonable approximation of fair value.
- Trade payables, sundry payables and accrued expenses are non-interest bearing and are settled on terms set by the provider ranging from 30 to 90 days.

NOTE 17: BORROWINGS

	Note	Consolidated Group	
		2011	2010
		\$	\$
CURRENT			
Unsecured			
Lease liability		27,792	14,500
Total current liabilities		27,792	14,500
NON-CURRENT			
Unsecured			
Loan from key management personnel		600,000	400,000
Lease liability		-	29,000
Total non-current liabilities		600,000	429,000

Lease:

A three-year lease for computer equipment was signed on 28 June 2010. Further details may be obtained from Note 23 capital and leasing commitments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Loan:

On 28 April 2010 a loan agreement was signed with director J. Wong who provided the Company with a standby loan facility. The final date for repayment of this loan in full is 1 August 2013. The facility is unsecured, is not subject of any covenants, and attracts a per annum interest rate equal to the AFMA 30 day BBSW (Average Mid) applicable on the last business day of the preceding month plus 8%. Interest is calculated daily on the principal amount outstanding.

At 30 June 2011, an amount of \$600,000 had been drawn down on this facility and the amount of \$51,319 has been paid as interest to Mr Wong under this loan agreement. Since the end of the period, an amendment to the standby loan facility has been signed increasing the facility by \$200,000 to \$800,000 (further details are provided in Note 27).

For the corresponding period at 30 June 2010, an amount of \$400,000 was drawn down on this facility and \$839 paid as interest to Mr Wong.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18: TAX**Consolidated Group**

		2011	2010		
		\$000	\$000		
Liabilities					
a. CURRENT					
Income Tax		-	-		
	Opening balance	Charged to income	Charged directly to equity	Under / over adjustments	Closing balance
	\$	\$	\$	\$	\$
Consolidated Group					
b. Deferred Tax Liability					
Intangibles	420,660	(84,132)	-	-	336,528
Other	18,554	8,131	-	(4,434)	22,251
Balance at 30 June 2010	439,214	(76,001)	-	(4,434)	358,779
Intangibles	336,528	(84,132)	-	-	252,396
Other	22,251	988	-	301	23,540
Balance at 30 June 2011	358,779	(83,144)	-	301	275,936
Deferred Tax Assets					
Provisions	187,312	28,751	-	-	216,063
Other	84,025	(24,574)	-	(662)	58,789
Future income tax benefits attributable to tax losses	173,644	(68,692)	-	-	104,952
Balance at 30 June 2010	444,981	(64,515)	-	(662)	379,804
Provisions	216,063	(1,141)	-	-	214,922
Other	58,789	(13,396)	12,797	(20,725)	37,465
Future income tax benefits attributable to tax losses	104,952	(81,403)	-	-	23,549
Balance at 30 June 2011	379,804	(95,940)	12,797	(20,725)	275,936

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

c. Deferred tax assets not brought to account:

the benefits of which will only be realised if the conditions for deductibility set out in Note 1b occur

		Consolidated Group	
		2011	2010
		\$000	\$000
—	tax losses:		
—	operating losses	5,136,584	4,470,045
—	capital losses	81	81
—	Available for recoupment outside Australia	112,851	95,230
		<u>5,249,516</u>	<u>4,565,356</u>

NOTE 19: PROVISIONS**Consolidated Group****Analysis of Total Provisions**

		Consolidated Group	
		2011	2010
		\$	\$
Current		697,084	694,190
Non-current		33,729	26,425
		<u>730,363</u>	<u>720,615</u>

Provision for Long-term Employee Benefits

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 20: OTHER CURRENT LIABILITIES

	Consolidated Group	
	2011	2010
	\$	\$
Deferred income	571,995	502,260
	<u>571,995</u>	<u>502,260</u>

Deferred income:

The Company provides ongoing maintenance (software update service) to its clients. The clients are contracted to pay a fee in advance for this service, usually annually. One twelfth of this annual fee is reported as revenue each month over the maintenance period to which it relates and the balance of this fee remains in the statement of financial position as a current liability. There is no obligation on the Company to repay this amount should a client terminate a contract and so the revenue remains with the Company. Consequently, this amount is excluded from any working capital calculation.

NOTE 21: ISSUED CAPITAL

	Consolidated Group	
	2011	2010
	\$	\$
78,618,356 (2010: 50,939,315) fully paid ordinary shares	18,408,937	15,978,000
Nil redeemable shares (2010: 1,178,000) fully paid redeemable preference shares	-	1,178,000
	<u>18,408,937</u>	<u>17,156,000</u>

The redeemable shares were redeemed by the Company in October 2010.

	Economic Entity	
	2011	2010
	\$	\$
a. Ordinary shares		
At the beginning of reporting period	15,978,000	15,978,000
Shares issued during the year (net of issue costs)	2,430,937	-
At reporting date	<u>18,408,937</u>	<u>15,978,000</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

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ABN 20 009 296 673

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	Economic Entity	
	2011 No.	2010 No.
Ordinary shares		
At the beginning of reporting period	50,939,315	50,939,315
Shares issued during the year	27,679,041	-
At reporting date	<u>78,618,356</u>	<u>50,939,315</u>

	Consolidated Group	
	2011 No.	2010 No.
b. Redeemable Preference Shares		
At the beginning of the reporting period	1,178,000	1,178,000
Change during the year	(1,178,000)	-
At reporting date	<u>-</u>	<u>1,178,000</u>

The redeemable preference shares had the following basic rights in priority to ordinary fully paid shares in the Company:

- a right to payment, in priority to any ordinary fully paid share, of any dividend which the directors may declare from time to time, equal to 125% of any dividend in respect of ordinary shares. The redeemable preference shares do not carry any right to payment of cumulative dividends;
- right to be returned capital upon the winding up of the Company, before any return of capital is made to holders of ordinary fully paid shares or any other class of shares ranking behind the redeemable preference shares; and
- the holder may also require the company to redeem the redeemable preference shares provided he is entitled to participate in an issue by the company and only on the basis that one redeemable preference share is redeemable for every \$1.00 paid by him or his associates for fully paid ordinary shares in the capital of the company in that issue.

During the year, following the successful Rights Issue which closed on 05 October 2010, the Company redeemed all of the preference shares on issue.

c. Options:

On 6 August 2001, the Company resolved to introduce an Employee Share Option Plan. There were no unexercised or outstanding options under the plan between 17 December 2006 and 3 November 2008.

On 4 November 2008, the Company granted 930,000 options pursuant to the CCK Financial Solutions Ltd Employee Share Option Plan. The options are exercisable @ 18 cents and expire 4th November 2013.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The options vest at the following times:

- (20%) 9 months from date of grant
- (20%) 21 months from date of grant
- (20%) 33 months from date of grant
- (20%) 45 months from date of grant
- (20%) 57 months from date of grant

Upon exercise of options, the allotted ordinary shares will rank equally with all other ordinary shares on issue.

	Consolidated Group		
	2011 Number of Options	Weighted Average Exercise Price \$	2010 Number of Options
Outstanding at the beginning of the period	655,000	0.18	930,000
Granted	-		-
Forfeited	(90,000)	0.18	(275,000)
Exercised	-		-
Expired	-		-
Outstanding at the period end	565,000	0.18	655,000
Exercisable at the period end	226,000		131,000

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

Weighted average exercise price	\$0.18
Weighted average life of the options	5 Years
Underlying share price	\$0.18
Expected share price volatility	30%
Risk free interest rate	6.15%

The approximate industry standard volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative for future tender, which may not eventuate. The life span of the options is based on the Company's good staff retention rate at starts at 95% factoring down to 80% at year five.

Costs relating to the issue of the options will be recorded in the employee benefits expense in the statement of comprehensive income. These costs have been reduced from those previously reported as a result of the cancellation of further 90,000 options in 2011 due to the termination of the right to exercise options. These costs are being expensed as follows:

June	Expense at date of grant \$	Less effect of cancellations \$	Adjusted expense recorded \$
2009	12,174	-	12,174
2010	12,163	(7,196)	4,967
2011	7,004	9,410	16,414
2012	3,154	(1,238)	1,916
2013	2,486	(976)	1,510
Total	36,981	(12,159)	24,822

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

d. Capital Management:

Management controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern. The Company has no external debt other than trade creditors and other payables and a stand-by loan facility from the Managing Director.

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

There are no externally imposed capital requirements.

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

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

NOTE 22: OTHER RESERVES

The dividend reserve records amounts transferred from current year profits that are reserved for future distributions to members by way of dividend payments.

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

The option reserve records items recognised as expenses on valuation of employee options.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 23: CAPITAL AND LEASING COMMITMENTS

	Note	Consolidated Group	
		2011	2010
		\$	\$
a. Finance Lease Commitments			
Payable — minimum lease payments			
— not later than 12 months		14,500	14,500
— between 12 months and 5 years		13,292	27,792
— greater than 5 years		-	-
Minimum lease payments		27,792	42,292
Less future finance charges		(4,256)	(6,476)
Present value of minimum lease payments		23,536	35,816

A computer lease was signed on 28 June 2010. The term is for three years with instalments paid monthly with an interest rate of 12.4% with monthly rests.

b. Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	Consolidated Group	
	2011	2010
	\$	\$
Payable — minimum lease payments		
— not later than 12 months	184,609	170,604
— between 12 months and 5 years	232,582	170,012
— greater than 5 years	-	-
	417,191	340,616

- i. The current Perth office lease expires on 2 March 2013. Rent is payable monthly in advance. Initial term rental payments were specified annual dollar values in the schedule to the lease. There was a review to market rates on exercise of the option period and there is an annual review applicable set at a fixed percentage of the rental payment. There is no performance guarantee relating to this lease.
- ii. The current Sydney office lease expires on 01 July 2014. Rental payments are specified annual dollar values in the schedule to the lease and are increased 5% annually. Performance of the lease is guaranteed by a cash deposit of an amount equivalent to four months gross rental.
- iii. The current Malaysian office lease expires on 31 August 2013. Rental payments are specified in the lease agreement as a monthly amount and fixed separately for the term of the lease. Performance of the lease is guaranteed by a cash deposit of an amount equivalent to three months average gross rental.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

- iv. Two apartment leases have been signed in the Philippines. One of the leases is for a six month period with term expiring on 20 January 2012. The second lease is for a 12 month period expiring 31 August 2012 (lease commences on 1 September 2011). Rental payments are specified in the lease agreements as a monthly amount and fixed for the term of the lease. Performance of the lease is guaranteed by a cash deposit of an amount equivalent to two months gross rental and four months gross rental respectively.
- v. The Manila office was relocated in August 2011 to a smaller office with a lease expiring on 1 August 2012. Rent is payable monthly in advance. Rental payments are specified in the lease agreement as a monthly amount and fixed separately for the term of the lease. Performance of the lease is guaranteed by a cash deposit of an amount equivalent to two months average gross rental.
- vi. The lease agreement for the apartment in Indonesia expired on 01 August 2011 and was not renewed.

NOTE 24: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential financial effect of
contingent liabilities that may become payable:

Contingent Liabilities

The Company has made cash deposits as its security bonds on its leased premises. These deposits are as follows:

Premises	2011	2010
Sydney office	19,800	18,150
Malaysian office	6,442	7,484
Philippines office and apartments	6,788	5,197
Indonesian apartment	-	1,373

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 25 SEGMENT REPORTING

The Company has identified only one operating segment based on the internal reports that are reviewed and used by the executive directors (chief operating decision makers) in assessing and determining the allocation of resources.

The Company's sole operating segment is the provision of treasury and risk management software and related services.

Unless otherwise stated, all amounts reported to the executive directors being the chief operating decision makers in respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

(a) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	For year ended 30.06.11	For year ended 30.06.10
	\$	\$
Australia	654,759	1,484,065
Malaysia/Singapore	608,180	732,114
Philippines	472,338	766,016
Indonesia	266,472	1,214,798
PNG	136,852	132,203
Total revenue	2,138,601	4,329,196

(b) Total assets by geographical region

The location of segment assets is disclosed below by geographical location of assets:

	For year ended 30.06.11	For year ended 30.06.10
	\$	\$
Australia	5,511,263	6,771,176
Malaysia	302,396	266,300
Philippines	78,313	300,658
Total Assets	5,891,972	7,338,134

Major Customers

The Group has a number of customers to whom it provides both products and services. During any given reporting period, the Group can generate a significant percentage of revenue from one or more clients as a result of new licence and implementation revenue. Each year these clients are most likely to be different. For the year ended 30 June 2011, there were two new clients representing 11% and 10% of total revenue respectively (2010: 22% and 20% respectively).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 26: CASH FLOW INFORMATION

		Consolidated Group	
		2011	2010
		\$	\$
a.	Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax		
	Profit after income tax	(2,585,966)	(350,085)
	Cash flows excluded from profit attributable to operating activities		
	Non-cash flows in profit		
	Amortisation	661,452	580,248
	Depreciation	55,936	69,207
	Net gain on disposal of property, plant and equipment	236	(417)
	Capitalised development expenditure	(546,088)	(812,064)
	Share options expensed	16,414	4,966
	Exchanges movements in cash holdings	42,122	(30,326)
	Changes in assets and liabilities		
	(Increase)/decrease in trade debtors and prepayments	547,945	792,074
	Increase/(decrease) in unearned income	76,234	(241,686)
	Increase/(decrease) in trade payables and accruals	(271,447)	(322,248)
	Increase/(decrease) in income taxes payable	31,082	(23,084)
	Increase/(decrease) in provisions	8,655	98,769
	Cash flow from operations	<u>(1,963,425)</u>	<u>(234,646)</u>

During 2010 year, the consolidated Group acquired computer equipment with an aggregate value of \$36,840 by means of finance lease. These acquisitions are not reflected in the statement of cash flows for 2011 or the corresponding year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 27: EVENTS AFTER THE REPORTING DATE

On 15 August 2011 Patrick Tan resigned as the Company Secretary for the Group and Slavena Pavlova Terzieva was appointed.

At the Board meeting held on 29 August 2011, the Managing Director Mr Joseph Wong offered to increase the standby loan facility provided to the Company by \$200,000 to \$800,000. The Directors accepted the offer. At the date of issue of this report the additional funds have not been used. Further details are contained within Note 17 borrowings.

On 19 September 2011 CCK was awarded a contract by the Bank of Papua in Indonesia.

No other matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 28: RELATED PARTY DISCLOSURES**Subsidiaries**

The consolidated financial statements include the financial statements of CCK Financial Solutions Ltd and the subsidiaries listed in the following table.

	Country of Incorporation	Percentage Owned (%)		Investment \$	
		2011	2010	2011	2010
Subsidiaries of CCK Financial Solutions Ltd:					
CCK Financial Solutions (Sales) Pty Ltd	Australia	100	100	2	2
CCK Financial Solutions (Consulting) Pty Ltd	Australia	100	100	2	2
CCK International Pty Ltd	Australia	100	100	2	2
				6	6
Subsidiaries of CCK International Pty Ltd:					
CCK Financial Solutions (Philippines) Inc	Philippines	99.994	99.994		
CCK Financial Solutions (Malaysia) Sdn Bhd	Malaysia	100	100		

Ultimate Parent

CCK Financial Solutions Ltd, incorporated in Australia, is the ultimate Australian parent entity and the ultimate parent of the CCK Group.

Key management personnel

Details relating to key personnel, including remuneration paid, are included in the Directors' and Remuneration Reports.

Transactions with related parties

Various agreements have been entered into within the wholly owned Group to facilitate inter-Group transactions including the provision of maintenance, technical and research and development services within the Group.

Transactions between related parties are on normal commercial terms and conditions.

Loans from related parties

There is a loan to CCK Financial Solutions (Malaysia) Sdn Bhd from CCK Financial Solutions (Consulting) Pty Ltd of \$200,131 (2010: \$136,888 was owed by CCK Financial Solutions (Consulting) Pty Ltd to CCK Financial Solutions (Malaysia) Sdn Bhd). The movements on this loan were driven by operational requirements. There is a loan to CCK Financial Solutions (Philippines) Inc from CCK Financial Solutions (Consulting) Pty Ltd of \$202,295 (2010: Nil). No interest was charged on these loans.

Mr J. Wong is a director of the Company. Mr Wong has advanced \$600,000 (2010: \$400,000) to the Company under a standby loan facility. The facility has been increased to \$800,000, with the additional amount remaining undrawn. Further details of this facility are contained with Note 17 borrowings.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 29: FINANCIAL RISK MANAGEMENT

- a. The Group's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable, loans to and from subsidiaries.

i. **Treasury Risk Management:**

The Board of the Company meets on a regular basis to consider marketing, implementations, product development, forecasts, financial results, company strategy, administration, continuous disclosure and other matters that may arise. Financial risk exposure is considered at this time and in particular in the context of the most recent market conditions and forecasts.

ii. **Financial Risk Exposures and Management**

The main risks the Group is exposed to through its financial instruments are foreign currency risk, liquidity risk, credit risk and interest rate risk.

Foreign currency risk:

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency.

Liquidity risk:

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

Credit risk:

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Interest rate risk:

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	Weighted Average Effective Interest Rate	Floating interest rate	Non-interest bearing	Total
2011	%	\$	\$	\$
Financial Assets:				
Cash and cash equivalents	0.25 – 4.25	839,296	-	839,296
Trade receivables		-	392,302	392,302
Other receivables		-	439,180	439,180
Total Financial Assets		839,296	831,482	1,670,778
Financial Liabilities:				
Trade and sundry payables		-	213,482	213,482
Borrowings	12.64 – 12.86	627,792	-	627,792
Total Financial Liabilities		627,792	213,482	841,274
Net Financial Assets		211,504	618,000	829,504

	Weighted Average Effective Interest Rate	Floating interest rate	Non-interest bearing	Total
2010	%	\$	\$	\$
Financial Assets:				
Cash and cash equivalents	0.25 – 4.25	1,416,669	-	1,416,669
Trade receivables		-	469,682	469,682
Other receivables		-	1,040,376	1,040,376
Total Financial Assets		1,416,669	1,510,058	2,926,727
Financial Liabilities:				
Trade and sundry payables		-	498,102	498,102
Borrowings	12.4 – 12.76	443,500	-	443,500
Total Financial Liabilities		443,500	498,102	941,602
Net Financial Assets		973,169	1,011,956	1,985,125

	Consolidated Group	
Trade and sundry payables are expected to be paid as follows:	2011	2010
	\$	\$
- Less than 6 months	213,482	498,102
- 6 months to 1 year	-	-
- 1 to 5 years	-	-
- Over 5 years	-	-
Total	213,482	498,102

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

iii Sensitivity analysis:

The Group has performed sensitivity analysis relating to its interest rate risk and foreign currency risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis:

At 30 June 2011, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

Consolidated Group

	2011	2010
	\$	\$

Change in profit:

- with increase in interest rate by 1%	5,395	11,392
- with decrease in interest rate by 1%	(5,395)	(11,392)

These figures have been calculated by multiplying the interest bearing cash balances by their 30 June 2011 interest rate and comparing it with interest rates 1% higher and lower respectively.

Significant assumptions used in the interest rate sensitivity analysis include:

- Reasonably possible movements in interest rates were determined based on the Group's current credit rating and mix of debt in Australia and foreign countries, relationships with financial institutions, the level of debt that is expected to be renewed as well as a review of the last two year's historical movements and economic forecaster's expectations.
- The next exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

Foreign currency risk sensitivity analysis:

At 30 June 2011, the effect on profit and equity as a result of changes in value of the Australian dollar to the US dollar, with all other variables remaining constant would be as follows:

Consolidated Group

	2011	2010
	\$	\$

Change in profit:

- improvement in AUD by 5%	(14,371)	(30,990)
- decline in AUD by 5%	15,886	34,252

These figures have been calculated by restating USD/IDR cash balances, receivables and payables in the Australian books of account with an exchange rate movement of plus and minus 5% respectively. There was no IDR cash balances/receivables and payables in the Australian books for 2011. The actual AUD/USD rate at 30 June 2011 was 1.0597 (2010: 0.8462). The actual AUD/IDR rate at 30 June 2011 was 9,135 (2010: 7,730).

Change in equity:

- improvement in AUD by 5%	1,352	(19,193)	-	-
- decline in AUD by 5%	(1,495)	21,171	-	-

These changes represent the movement on the foreign currency translation reserve when a plus and minus 5% variation is applied to the MYR/AUD and PHP/AUD exchange rates at 30 June 2011. The actual rates at 30 June 2011 were MYR/AUD 3.2251 (2010: 2.7760) and PHP/AUD 46.46 (2010: 37.50).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

b. Liquidity Risk

Liquidity Risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing a forward cash flow analysis in relation to its operational, investing and financing activities which is updated monthly
- investing surplus cash only with major financial institutions

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual realisation may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Consolidated Group	Less than 6 months		Within 1 year		1 to 5 years		Over 5 years		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial liabilities due for payment										
Trade and other payables	213	498	-	-	-	-	-	-	213	498
Borrowings	14	7	14	7	600	429	-	-	628	443
Total expected outflows	227	505	14	7	600	429	-	-	841	941
Financial assets – cash flow realisable										
Cash and cash equivalents	839	1,417	-	-	-	-	-	-	839	1,417
Trade receivables	831	1,510	-	-	-	-	-	-	831	1,510
Total anticipated inflows	1,670	2,927	-	-	-	-	-	-	1,670	2,927
Net inflow / (outflow) on financial instruments	1,443	2,422	(14)	(7)	(600)	(429)	-	-	829	1,986

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

c. Exchange Risk

Exposure to foreign exchange risk may result in the fair value of future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations.

2011	Net financial assets / (liabilities) in		
	AUD \$'000		
	USD	IDR	Total AUD
Consolidated			
Australian Dollar	135	-	135
Malaysian Ringgit	310	-	310
Philippines Peso	7	-	7
Statement of financial position exposure	452	-	452

2010	Net financial assets / (liabilities) in		
	AUD \$'000		
	USD	IDR	Total AUD
Consolidated			
Australian Dollar	775	17	792
Malaysian Ringgit	151	-	151
Philippines Peso	241	-	241
Statement of financial position exposure	1,167	17	1,184

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

d. Net Fair Values

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which the asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Consolidated Group	Note	2011		2010	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	(i)	839	839	1,417	1,417
Trade and other receivables	(i)	831	831	1,510	1,510
Total financial assets		1,670	1,670	2,927	2,927
Financial Liabilities					
Trade and other payables	(i)	213	213	498	498
Borrowings	(ii)	628	628	444	444
- Total financial liabilities		841	841	942	942

Net Fair Values disclosed in the above table have been determined based on the following methodology:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave which is not considered a financial instrument.
- (ii) Borrowings include short term instruments (lease of \$27,792) and long term instruments (standby loan from director \$600,000) whose carrying value is equivalent to fair value.

CCK Financial Solutions Ltd – Consolidated Entity

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 30: PARENT COMPANY INFORMATION

	Note	Parent Entity	
		2011	2010
		\$	\$
Assets			
Current Assets		1,414	752,048
Non-Current Assets		3,656,524	3,580,606
Total Assets		<u>3,657,938</u>	<u>4,332,654</u>
Liabilities			
Current Liabilities		-	-
Non-Current Liabilities		-	-
Total Liabilities		<u>-</u>	<u>-</u>
Equity			
Issued capital		18,408,937	17,156,000
Retained earnings		(14,822,494)	(12,878,427)
Reserves			
Dividend Reserve		37,941	37,941
Options Reserve		33,554	17,140
Total Reserves		<u>71,495</u>	<u>55,081</u>
Financial Performance			
Loss for the year		(1,944,065)	(243,098)
Other comprehensive income		(38,951)	-
Total Comprehensive Loss		<u>(1,983,016)</u>	<u>(243,098)</u>

Contingent Liabilities

Contingent liabilities are detailed in Note 24 of this financial report.

Contractual Commitments

Capital and leasing commitments are detailed in Note 23 of this financial report.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 31: COMPANY DETAILS

The registered office of the company is:

CCK Financial Solutions Ltd
 Level 3 / 12 St Georges Terrace
 PERTH WA 6000

The principal places of business are:

- Head Office:
 Level 3 / 12 St Georges Terrace
 Perth WA 6000
 Telephone (08) 9223 7600
 Facsimile (08) 9223 7699

- Sydney Office:
 Suite 10.02, Level 10 / 17 Castlereagh Street
 Sydney NSW 2000
 Telephone (02) 9222 1444
 Facsimile (02) 9222 1455

- Malaysian Office:
 Office Suite 13-8, 13th Floor
 Wisma UOA II
 No. 21 Jalan Pinang
 50450 Kuala Lumpur, Malaysia
 Telephone 603 2163 3529
 Facsimile 603 2164 8591

- Philippines Office:
 Level 40/F, PBCOM Tower
 6795 Ayala Avenue Corner V.A. Rufino Street
 Makati City 1226, Philippines
 Telephone 632 789 9084
 Facsimile 632 789 9001

- Indonesian Office:
 30/F Menara Standard Chartered
 Jl. Prof. Satrio Kav. 164
 Jakarta 12930, Indonesia
 Telephone 6221 2555 5735
 Facsimile 6221 2555 5601

CCK Financial Solutions Ltd - Consolidated Entity
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Directors' Declaration

- (1) In the opinion of the directors CCK Financial Solutions Ltd (the 'Company'):
- (a) the financial statements and notes, as set out on pages 10 to 58 and the Remuneration Report that are contained in pages 6 to 8 of the Directors' Report, are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (iii) complying with International Financial Reporting Standards as disclosed in Note 1;
 - (b) The remuneration disclosures that are contained in pages 6 to 8 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2011.

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



Joseph Wong
Managing Director

Dated this 30th day of September 2011



Grant Thornton

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Independent Auditor's Report To the Members of CCK Financial Solutions Limited

Report on the financial report

We have audited the accompanying financial report of CCK Financial Solutions Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information 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 of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Electronic presentation of audited financial report

This auditor's report relates to the financial report of CCK Financial Solutions Limited and controlled entities for the year ended 30 June 2011 included on the Company's web site. The Company's Directors are responsible for the integrity of its web site. We have not been engaged to report on the integrity of the Company's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Independence

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

Auditor's opinion

In our opinion:

- a the financial report of CCK Financial Solutions Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and



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

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 1(q) in the financial report which indicates that the consolidated entity incurred a net loss of \$2,585,966 during the year ended 30 June 2011 and incurred net cash outflows from operations of \$1,963,425. These conditions, as set forth in Note 1(q), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 6 to 8 of the directors' report for the year ended 30 June 2011. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of CCK Financial Solutions Limited for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Director - Audit & Assurance

Perth, 30 September 2011

CCK Financial Solutions Ltd and Controlled Entities

ABN 20 009 296 673

Corporate Governance

Board and committees

Board of Directors:

The Board of directors of CCK Financial Solutions Ltd ("the Company") is responsible for setting the strategic direction of the Company and for monitoring its businesses and affairs.

The functions of the Board include:

- setting overall goals for the Company;
- setting strategies to achieve these goals;
- monitoring business performance and results;
- approving annual budgets;
- reporting to shareholders on the Company's direction and performance;
- ensuring that the Company meets its statutory and regulatory obligations;
- ensuring the Company acts responsibly;
- risk oversight and management; and
- selection and appointment of directors.

The full Board decides on the appointment of a director and determines the most appropriate skills required of a new director to meet the needs of the Company. The Chairman is to be a non-executive director.

The Company Constitution requires one third of the directors (excluding the Managing Director) retire from office at the annual general meeting each year but are eligible for re-election at that meeting. Casual vacancies and additional directors may only hold office until the next annual general meeting and then are eligible for re-election.

The executive directors of the Company are the management of the Company. They are responsible for the day-to-day operations and decision-making and for implementing the strategies of the Board. The above charter delineates the functions and responsibilities of the Board and senior executives.

Review of performance of senior executives and members of staff:

The performance of all senior executives and members of staff are reviewed annually. The review process commences with a self-assessment and is then followed by a formal review by their manager. A scorecard is developed of their performance covering all aspects of their position including such criteria as technical, analytical and communication skills, knowledge of the business, team work, time management, judgement and service. The individual's strengths and development needs are identified after a review of the performance over the preceding year and before setting the performance objectives for the coming year.

Audit Committee:

The Audit Committee reports to the Board at least twice per year and comprises the non-executive directors of the Company, Mr Gregory Major (Chairman) and Mr Michael Wright, and the Managing Director, Mr Joseph Wong. The non-executive directors were appointed to the committee on their appointment as a director. Mr Wong was appointed to the committee at its inception. The qualifications and experience of the committee members are contained in the Directors' Report section of the Annual Report.

The functions of the committee are:

- to review financial information to ensure its accuracy and timeliness;
- to ensure that all required disclosure is made in reports provided to the market and appropriate stakeholders;
- to ensure that effective controls are implemented that ensure compliance with the Corporations Law, Accounting Standards and the ASX listing rules
- to review risk oversight and management;
- to review internal controls of the Company and controlled entities;
- to review the results of the Company and controlled entities;
- to nominate the auditors to the Board for approval;
- to approve the scope of work for the auditors;
- to assess the performance and independence of the auditors.

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Corporate Governance

Remuneration Committee:

The Remuneration Committee consists of the non-executive directors, Mr Michael Wright and Mr Gregory Major, and the Managing Director, Mr Joseph Wong.

The functions of the committee are:

- Reviewing the remuneration policies and practices;
- the remuneration arrangements for the Managing Director and Executive Director and their performance;
- recruitment and termination policies;
- the Company share option plan or any other incentive scheme;
- superannuation arrangements insofar as they are relevant to remuneration policies and practices.

Director information

Independent directors:

At the date of this report, the Chair, Mr Michael Wright, and Non-Executive Director, Mr Gregory Major, were considered independent directors. The materiality for a substantial shareholding is considered as 5% of the ordinary issued shares of the Company. No director had a contractual relationship with the Company other than as a director of the Company.

Professional advice:

The Company has agreed that the directors and the Company Secretary may take independent advice in the discharge of their duties and in relation to Company matters at the Company's expense.

Term of Office:

The current position and appointment dates of the directors are as follows:

- | | |
|--|-----------------|
| - Mr Michael Wright, Chairman | 1 January 2006 |
| - Mr Joseph Wong, Managing Director | 26 May 1988 |
| - Ms Helen Glastras, Executive Director | 1 May 1990 |
| - Mr Gregory Major, Non-Executive Director | 4 February 2010 |

There is no set term for a director, however, the Company's Constitution requires one third of the directors (excluding the Managing Director) retire from office at the annual general meeting each year. The retiring directors are eligible for re-election at that meeting.

Code of conduct for directors

The Board has adopted a code of conduct based on the one prepared by the Australian Institute of Company Directors.

The code is as follows:

- A director must act honestly, in good faith and in the best interests of the Company as a whole.
- A director has the duty to use care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A director must use the powers of office for proper purpose, in the best interests of the Company as a whole.
- A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the Company.
- A director must not make improper use of information acquired as a director.
- A director must not take improper advantage of the position of director.
- A director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
- A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board
- Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be

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- disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or it is required by law.
- A director should not engage in conduct likely to bring discredit upon the Company.
 - A director has an obligation at all times, to comply with the spirit, as well as the letter of the law and with the principles of the code

Code of conduct and ethics

The Company has adopted the following code for all employees and directors. This code covers all behaviour within the Company and all external interaction with stakeholders.

This Company aims to achieved by:

- Satisfying the needs of clients through the provision of services on a competitive and professional basis;
- Providing a fulfilling and safe working environment for employees, rewarding good performance and providing opportunities for advancement;
- Conducting existing operations in an efficient manner and searching out marketing opportunities;
- Respecting the attitudes and expectations of the communities in which the Company operates;
- Acting with integrity and honesty in both internal and external dealings.

All employees are expected to:

- Respect the law and act in accordance with it;
- Respect the confidentiality of the Company's information, assets and facilities;
- Value and maintain professionalism;
- Avoid real or perceived conflicts of interests;
- Act in the best interests of the shareholders;
- By their actions contribute to the Company's reputation as a good corporate citizen;
- In all dealings within the workplace, with customers, suppliers and the public generally, exercise fairness, courtesy and respect;
- Act with honesty, integrity, decency and responsibility at all times.

The Company encourages the reporting of unethical or unlawful behaviour.

- Whistleblowers will be provided protection from any disadvantage or prejudice for reporting in good faith any breaches of the code or the Corporations Act 2001.

Share Trading

The Company's share trading policy imposes basic trading restrictions on all employees of the Company and any of its related companies with "inside information", and additional trading restrictions on the directors of the Company.

"Inside information" is information that is not generally available; and if it were generally available, it would, or would be likely to influence investors in deciding whether to buy or sell the company's shares or other securities. Insider trading is prohibited at all times.

If an employee or director possesses inside information, the person must not: trade in the Company's shares; advise others or procure others to trade in the Company's shares; or pass on the inside information to others - including colleagues, family or friends - knowing (or where the employee or director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's shares. This prohibition applies regardless of how the employee or director learns the information (eg even if the information is overheard or told in a social setting).

Directors and employees have a duty of confidentiality to the Company in relation to any confidential information they possess, in addition to obligations under the law in relation to inside information. Prior to any proposed share trading by a director, a director must first discuss the matter with the Chairman so as to ensure the appropriateness of any such trading.

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In the event of trading in the Company's shares, the director must advise the Company Secretary of their intention to trade in the Company's shares; confirm that they do not hold unpublished inside information; and there is no known reason to preclude the trading in the Company's shares. Also, the directors must advise the Company Secretary of the number, price paid and method of acquisition of the shares within two days of the trading date of the shares.

Breach of the Trading Policy:

Strict compliance with the Company's share trading policy is a condition of employment. Breaches of the policy will be subject to disciplinary action, which may include termination of employment.

Disclosure

The Company is committed to complying with the continuous disclosure obligations of the Corporations Act and the listing rules of Australian Stock Exchange Limited ("ASX").

ASX listing rule 3.1 reads "Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

In order to ensure the Company meets its obligation of timely disclosure of such information, the Company adheres to the following practices:

As soon as practicable, ASX is notified of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities as prescribed under ASX listing rule 3. 1, except where such information is not required to be disclosed under ASX listing rule 3. 1A;

The Company does not respond to market speculation or rumour. However, it may be necessary to make an announcement in certain circumstances or where ASX considers there is, or is likely to be, a false market in the Company's securities.

The directors of the Company are to notify the Company Secretary immediately of any information that they deem to be of such a nature that may require disclosure.

The Company Secretary has responsibility for co-ordinating disclosure of information to ASX and liaising with the directors of the Company on disclosure matters. The Board considers disclosure at the closing stages of each Board meeting.

Shareholder Communications

It is the aim of the Company to keep the shareholders informed on significant events for the Company. This is mainly achieved by the use of company announcements through ASX and by mail should it be considered more appropriate to do so.

Previous offers to communicate directly to shareholders through electronic mail was only taken up by a small number of shareholders and therefore the Company has not pursued this method of communication.

The auditors of the Company are invited, and have always attended, the annual general meeting of the Company to provide the shareholders the opportunity to ask questions on the conduct of the audit and the preparation and content of the auditor's report.

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Corporate Governance

Risk Management

The Board of Directors of the Company, with the assistance of the Audit Committee, is responsible for determining strategies and policies for risk and controls, whilst management is responsible for designing, operating and monitoring risk management and control processes which implement Board policy effectively.

The risk management process is based on monitoring of the key risks that influence the company's strategy and business objectives. The Board at its regular meetings reviews business objectives and the risk and controls associated with these objectives.

Key areas of risk and internal control include:

Development and deployment of software:

The company has quality assurance processes in place for the development, testing and delivery of its software to customers. Quality assurance processes and procedures are monitored and reviewed on a regular basis.

Financial Management:

The company manages financial risk through a process of detailed communication and authorization processes, which include:

- Distribution of detailed financial reports, budgetary comparisons and commentary on variations to the directors on a monthly basis.
- Control and management of capital expenditure by the directors.
- Annual review of risks and insurance cover by directors.

Remuneration

Non-executive directors:

The remuneration of individual non-executive directors is determined by the Board and based on the demands on, and responsibilities of, those directors. A non-executive directors' fee pool was set at \$200,000 per annum at a general meeting of members in August 1999 and is not currently fully utilised. No other payments are made to non-executive directors apart from the director's fee, obligatory superannuation requirements, and the reimbursement of Company related expenses.

Executive directors:

The Remuneration Committee is responsible for the remuneration arrangements of the executive directors of the Company. The remuneration is reviewed annually and is a fixed amount. In addition to salary, the only other payments to executive directors are obligatory superannuation requirements and the reimbursement of Company related expenditure.

Employees:

The executive directors of the Company are responsible for the remuneration arrangements of the employees of the Company.

Remuneration determination and arrangements:

In all cases, the aim of the Company is to remunerate fairly and in line with market standards.

CCK Financial Solutions Ltd and Controlled Entities

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Corporate Governance

Auditor Selection

It is the aim of external audit selection to match the size of the audit firm to the size of the Company from a service and cost perspective.

The Audit Committee reviews the work of the auditors on an annual basis with consideration to the selection and appointment framework.

In line with current professional standards the Company requires the audit firm and/or audit partner rotation every five years. This ensures the exercise of impartial judgment and audit independence.

An audit firm representative may be invited to attend an Audit Committee meeting should the Chairman deem it necessary to discuss a particular issue or should the auditors themselves request to attend a meeting to discuss a particular issue.

The Company's auditors are invited to attend the Company's annual general meetings and are available to answer questions at those meetings.

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Corporate Governance

Departure from ASX principles and recommendations

(As prescribed by the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council August 2007.)

	Recommendation	Departure	Commentary
2.1	A majority of the Board should be independent directors.	The Board of directors consists of 4 directors, 2 of which are executive directors. The executive directors are substantial shareholders.	The Chairman and Non-Executive Director are independent directors. It is considered that their experience and qualifications bring an independent judgement and direction to the Board. In addition, it is considered that the size and capital structure of the Company make this arrangement the most appropriate.
2.4	The Board should establish a nomination committee.	The selection and appointment deliberations are a function of the Board.	It is considered that the size and capital structure of the Company makes this arrangement the most appropriate.
2.5	Disclose the process for performance evaluation of the Board, its committees and individual directors.	There is no formal review process for the Board, audit committee or individual directors.	It is considered that the size and capital structure of the Company makes this arrangement the most appropriate.
4.2	Structure of the audit committee so that it consists of: - only non-executive directors; - a majority of independent directors; - An independent chairman, who is not the chairman of the Board; - at least three members.	The Managing Director is a member of the committee. Of the three directors on the committee, the Chairman and the Non-Executive director are considered independent;	It is considered that the size and capital structure of the Company makes this arrangement the most appropriate.
6.1	Companies should design a communications strategy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company uses the ASX company announcements platform to communicate information to members. Only a very small number of shareholders showed interest in previous attempts of email communication and this method was abandoned as a result.	Current information is provided to members via the ASX company announcements platform. It is considered that the size and capital structure of the Company makes this arrangement the most appropriate.

CCK Financial Solutions Ltd and Controlled Entities

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Corporate Governance

Shareholder Information

- a) Securities issued by the parent company are ordinary shares ranking equally in all respects
- b) Ordinary Shares as at 30 September 2011
- (i) Securities issued were 78,618,356 – fully paid
- (ii) The names of the twenty largest holders of ordinary shares were:

	Number of Ordinary Shares	%
JOSEPH SUN MAN WONG	20,860,764	26.53
RUBIK FINANCIAL LIMITED	10,066,134	12.80
JOSEPH SUN MAN WONG + CHERYL MARGARET WONG <WONG SUPERANNUATION FUND>	8,025,000	10.21
JOSEPH SUN MAN WONG + CHERYL MARGARET WONG <JSM WONG FAMILY A/C>	7,500,000	9.54
GLASTRAS PTY LTD <GLASTRAS SUPER FUND A/C>	5,978,125	7.60
NALMOR PTY LTD <J CHAPPELL SUPER FUND A/C>	3,781,914	4.81
WYTHENSHAW PTY LTD	2,777,778	3.53
CHRISDOR NOMINEES PTY LTD	2,514,088	3.20
WARRAMBOO HOLDINGS PTY LTD	2,222,222	2.83
JOSEPH SUN MAN WONG	1,834,579	2.33
MR SHIEN MIN CATHAY WANG + MRS SING YIN HSU	1,615,559	2.05
PERPETUAL CUSTODIANS LIMITED	1,000,000	1.27
MR KRISHAN KUMAR GROVER	800,000	1.02
CITICORP NOMINEES PTY LIMITED	628,323	0.80
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	600,000	0.76
ANNAPURNA PTY LTD	500,000	0.64
MR DARRYL JAMES SMALLEY	450,000	0.57
MR DARRYL JAMES SMALLEY	416,667	0.53
MR PETER MICHAEL SCALES + MS CHERYL MARGARET WONG <FORESIGHT SUPER FUND A/C>	412,157	0.52
MR JOSEPH SUN MAN WONG	403,711	0.51
Cumulative Total After Top 20 Holders	72,387,021	92.07

CCK Financial Solutions Ltd and Controlled Entities

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Corporate Governance

- (iii) The distribution schedule of ordinary shares was as follows:

Ranges:	Number of Shareholders	Number of Ordinary Shares
1 – 1000	64	40,108
1,001 – 5,000	143	430,529
5,001 – 10,000	41	333,272
10,001 – 100,000	84	2,534,732
100,001 and over	35	75,279,715
Total	367	78,618,356

- (iv) Substantial shareholders of ordinary shares (as disclosed in substantial shareholder notices given to CCK Financial Solutions Ltd):

	Number of Ordinary Shares
Joseph Sun Man Wong	38,655,304
Rubik Financial Limited	10,066,134
Helen Glastras	5,978,125

- (v) Marketable Parcels:

On 30 September 2011 a marketable parcel of CCK Financial Solutions Ltd's listed Ordinary shares was calculated to be 20,834 shares. On this day, there were 289 shareholdings less than the marketable parcel and the total number of shares held by these shareholders was 1,461,920.