

LOOP MOBILE LIMITED

ACN 111 082 485

AND CONTROLLED ENTITIES

RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE YEAR ENDED 30 JUNE 2008

\$A

Revenues from continuing operations	up	31.7%	to	1,985,217
Revenues from discontinued operations	N/A	N/A	to	-
Revenues from ordinary operations	up	31.7%	to	1,985,217
Loss from continuing operations after tax attributable to members	up	21.0%	to	(3,114,862)
Loss from discontinued operations after tax attributable to members	N/A	N/A	to	-
Loss from ordinary activities after tax attributable to members	up	21.0%	to	(3,114,862)
Loss from extraordinary items after tax attributable to members				NIL
Net Loss for the period attributable to members	up	21.0%	to	(3,114,862)

Dividends (distributions)	Amt per Security	Franked amount per Security
Interim dividend	NIL	NIL
Previous corresponding period	NIL	NIL
Record date for determining entitlements to the dividend		N/A

EPS	2008 Cents Per Share	2007 Cents Per Share
Basic and diluted earnings per shares	(5.2)	(35.7)
Weighted average number of shares used in the denominator to calculate the earnings per share	60,088,299	7,166,837

Net tangible assets per security	2008 Cents Per Share	2007 Cents Per Share
Net tangible assets per security	2.8	6.7

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**RESULTS FOR ANNOUNCEMENT TO THE MARKET
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Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Explanation of Revenue and Loss

Loop Mobile earned total revenue of \$1.99m in 2008 up 31.7% from \$1.51m in 2007. In 2008 the loss for the year was \$3.11m compared with a 2007 loss of \$2.57m. During the last quarter, the Company has undergone some cost restructuring and has reduced the monthly overhead considerably and to place Loop in a stronger financial position moving forward.

Annual General Meeting

In accordance with ASX Listing Rules 3.13.1 and 14.3, the Company advises that the 2008 Annual General Meeting will be held on 19 November 2008.



Financial Report

Loop Mobile Limited

ABN 35 111 082 485

For the year ended 30 June 2008

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Corporate directory

Directors	G McCann - Non Executive Chairman I Rodwell - Chief Executive Officer and Managing Director M Hoffman - Non Executive Director C Kennedy - Non Executive Director S Simson - Non Executive Director
Company secretary	Mr A W Bursill
Registered office	Suite 206, 1 Katherine Street CHATSWOOD, NSW, 2067 Telephone (02) 9419 2966 Fax (02) 9419 2944
Share registry	Link Market Services Limited Level 9, 333 Collins Street Melbourne VIC 3000
ASX code	LPM
Listed on the ASX	27 June 2007
Auditor	Grant Thornton NSW Level 17, 383 Kent Street Sydney, NSW 2000
Solicitor	Gaden Lawyers Sydney Pty Limited Skygarden Building 77 Castlereagh Street Sydney NSW 2000
Bankers	National Australia Bank Ground level, 22-28 King William Street Adelaide SA 5000
Internet address	www.loopmobilelimited.com

Directors' report

Your directors present their report on Loop Mobile Limited and controlled entities ("Loop Mobile") for the year ended 30 June 2008.

Directors

The following persons were directors of Loop Mobile during the whole of the financial year and up to the date of this report, unless otherwise noted:

Greg McCann	- Non Executive Chairman
Ian Rodwell	- Chief Executive Officer and Managing Director (Appointed 18 August 2008)
Martin Hoffman	- Non Executive Director
Christine Kennedy	- Non Executive Director
Stuart Simson	- Non Executive Director

Principal activities

During the year the principal continuing activity of Loop Mobile is delivering mobile social networking services to global consumers within the youth and young adult demographic. There have been no significant changes in the nature of the activities of Loop Mobile Limited during the year.

Dividends

No dividends were paid or declared during the year (2007: \$nil).

Review of operations

Consistent with its business plan, Loop Mobile has made significant progress over the past 12 months in both the platform development of its flagship service, MOKO, and in its continuing business development in international markets. There has been a focus on the emerging markets of India, Philippines and Central and South America, with new alliances being negotiated in all these territories.

During the year, MOKO has added a Music community and launched a fully integrated online (website) version of MOKO, connecting its users both via PC and mobile, globally. MOKO was also recognised at the global Webby Awards and awarded Top 12 Hottest Mobile product at the 2008 National Association of Television Program Executives (NATPE) conference in the US.

Loop has engaged with several regional partners to launch MOKO into South East Asia, Latin America, USA and Canada; and has signed an MOU with Radical Softnet Pvt Ltd in India to establish an Indian joint venture company for the provision of MOKO to the Indian mobile carriers. The Loop directors see the Indian joint venture as an important stage in the Company's growth strategies, particularly in the high-growth emerging markets. India has just recently over taken the US as the largest mobile user base in the world and is continuing to grow each month.

Recently, MOKO was launched on the mobile carrier Helio, one of the most advanced 3G services in the US and has gained strong take up. Helio has recently merged with Virgin Mobile USA and MOKO will now be available to Virgin US users.

Locally this year, MOKO was launched on Optus, Virgin Mobile and the Company completed new projects for Telstra and 3 mobile, partnering with TV shows such as Big Brother and Australian Idol. MOKO is now one of the leading mobile chat and social networking community in Australia and continues to set high industry benchmarks for MMS traffic, private messaging and user session times. MOKO is also about to be launched on the Telstra Mobile Web tab within its BigPond Mobile portal and together with the new MOKO website and mobile internet coverage, MOKO will have a much larger addressable market heading into the 2009 calendar year.

Directors' Report (continued)

With the launch of the new 3G iphone, Loop created a specific iphone version of MOKO which launched on the new Optus iZoo portal. The media-rich MOKO platform has been designed to take full advantage of the iphone Safari browser and is one of the few global mobile chat and share communities that provides video and audio track playback.

Loop Mobile earned total revenue of \$1.99m in 2008 up 31.7% from \$1.51m in 2007. In 2008 the loss for the year was \$3.11m compared with a 2007 loss of \$2.57m. During the last quarter, the Company has undergone some cost restructuring and has reduced the monthly overhead considerably and will place Loop Mobile in a stronger financial position moving forward.

In August 2008, the Company undertook a capital raising via a rights issue together with placements to key strategic investors. As at the date of this report, the Company has received cash and commitments totalling approximately \$879,000. This cash injection will enable the business to continue with its focus on the international markets and conduct some consumer focused marketing with Australia for the first time.

Loop Mobile has a very exciting 12 months ahead, particularly with its new focus in India, South East Asia and Latin America.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year

On 22 August 2008 the Company issued 7,599,901 new shares at 5c each, as a result of the Company's rights issue.

No other matter or circumstance has arisen since 30 June 2008 that has significantly affected, or may significantly affect:

- (a) Loop Mobile's operations in future financial years, or
- (b) The results of those operations in future financial years, or
- (c) Loop Mobile's state of affairs in future financial years.

Likely developments and expected results of operations

Comments on expected results of certain operations of the Group are included in this annual report under the review of operations.

Further information on likely developments in the operations of Loop Mobile and the expected results of operations have not been included in this annual financial report because the directors believe it would be likely to result in unreasonable prejudice to Loop Mobile.

Environmental regulation

There are no significant environmental regulations or Acts applying to the Company.

Loop Mobile Limited

For the year ended 30 June 2008

Directors' Report (continued)

Information on directors

Gregory Ronald McCann (Non executive Chairman)

55 years. Director since 24 April 2007.

Experience and expertise

Greg McCann is currently the Managing Director and principal of the Excentor group of companies, an independent software and consulting services supplier to the Asia Pacific region with 25 years of experience. Greg was previously a partner with Deloitte for 24 years and has held a number of senior leadership roles, including Managing Director for Deloitte Consulting/ICS in Australia, a systems integrator specialising in the implementation of enterprise applications. Greg is also Chairman of Tel.Pacific, and on the Board of the law firm, Landers and Rogers. He is a fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors.

Other current directorship

Tel Pacific Limited

Former directorships in the last 3 years

Nil

Special responsibilities

Chairman

Interest in shares and options

Shares: Nil

Options: 1,000,000 (Expiring 15 June 2012, exercisable at \$0.20 each)

Ian Michael Rodwell (Managing director and Chief Executive Officer)

46 years. Director since 18th August 2008.

Experience and expertise

Mr Rodwell is the founder of Loop Mobile. He has over 20 years experience in corporate and consumer design and multimedia and has owned and operated several businesses specialising in this field. He has worked in Australia, Singapore, UK and the US, managing projects for many international companies including McKinsey, BMW, UniLever, and MTV. In the consumer area, Mr Rodwell led projects for several of the world's biggest names in sport including Manchester United FC; The All Blacks; Adidas; and several top tennis stars such as Anna Kournikova and Lleyton Hewitt. His role includes the oversight of all Loop Mobile's product development and strategic planning.

Other current directorships

None

Former directorships in the last 3 years

None

Special responsibilities

Chief Executive Officer

Interest in shares and options

Shares: 3,160,000 ordinary

Options: 3,000,000 (Expiring 15 June 2012, exercisable at \$0.20 each)

Directors' Report (continued)

Martin Paul Ulysses Hoffman (Non-Executive Director)

43 years. Director since 15 January 2007.

Experience and expertise

Martin is an experienced executive in the digital media and telecommunications industries. He joined Loop Mobile as CEO in January 2007, becoming a non-executive director on 31 July 2008. He was previously CEO of NineMSN from January 2003 until July 2006. NineMSN is a 50:50 joint venture between PBL Media and Microsoft, and is Australia's leading internet content and services business.

He holds an MBA (Honours) degree from the Institute for Management Development (IMD), in Lausanne, Switzerland; as well as Master of Applied Finance and Bachelor of Economics degrees from Macquarie and Sydney Universities respectively.

Other current directorships

Nil

Former directorships in the last 3 years

Realestate.com.au Ltd (REA) - (7 April 2003 to 5 April 2006)

Infochoice Ltd (ICH) – (June 2007 until February 2008)

Interest in shares and options

Shares: 2,070,000 ordinary shares

Options: 5,000,000 (Expiring 15 June 2012, exercisable at \$0.20 each)

Stuart Armstrong Simson (Non executive director)

55 years. Director since 24 April 2007.

Experience and expertise

Stuart has 37 years experience in the Australian media industry. From 2002 to 2006 he was Executive Chairman and Chairman of emitch Limited the largest on-line advertising agency in Australia and New Zealand. He has a portfolio of new media interests. Stuart is a former Managing Director of The Age and Sunday Age, and Editor and CEO of BRW Publications. He is a former Managing Director and part owner of National Business Review NZ. He has owned and operated regional radio stations. Stuart served as Associate Commissioner on the Productivity Commission Inquiry into the Broadcasting Services Act. He is a member of the CSIRO's ICT business advisory council and a Council member of Leadership Victoria.

Other current directorship

Nil

Former directorships in the last 3 years

emitch Limited (until 5 September 2006)

Special responsibilities

Nil

Interest in shares and options

Nil

Loop Mobile Limited
For the year ended 30 June 2008

Directors' report (continued)

Christine Pamela Kennedy (Non executive director)

34 years. Director since 5 April 2005

Experience and expertise

Christine holds a Bachelor of Business (Accountancy) degree and a Bachelor of Laws degree from Queensland University of Technology and is admitted as a solicitor to the Supreme Court of Queensland. Christine spent five years working in Brisbane CBD law firms Jones King Lawyers and later Bain Gasteen Lawyers, specialising in commercial and civil litigation. Since 2004 Christine has been based in London and Singapore as Director and Legal Counsel for a significant, privately-held group of companies.

Other current directorship

Nil

Former directorships in the last 3 years

Adultshop.com Limited (1 August 2006 until 24 April 2007)

Special responsibilities

Nil

Interest in shares and options

Nil

Company Secretary

The company secretary is Mr A W Bursill. Mr Bursill was appointed to the position of company secretary on 24 April 2007. Mr Bursill holds the position of company secretary for a number of other listed and non-listed entities. Mr Bursill is a member of the Institute of Chartered Accountants in Australia.

Meetings of directors

The number of meetings of the company's board of directors held during the year ended 30 June 2008, and the number of meetings attended by each director were:

	Number of meetings held	Number of meetings attended
G McCann	12	12
M Hoffman	12	12
C Kennedy	12	11
S Simson	12	11

Directors' report (continued)

Remuneration report

The remuneration report is set out under the following headings:

- A Principles used to determine the nature and amount of remuneration**
- B Details of remuneration**
- C Service agreements**
- D Share based payments**

The information provided under headings A-D includes remuneration disclosures that are required under AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

A Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The Board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

The remuneration structure for Directors, company secretary and senior managers is based on the following factors:

- experience of the individual concerned
- the overall performance of the market in which the company operates
- the overall performance of the Company

B Details of remuneration

Details of the nature and amount of each element of the remuneration of the key management personnel (as defined AASB 124 *Related Party Disclosures*) of Loop Mobile Limited are set out in the following tables.

Key management personnel of Loop Mobile include the following directors and the executive officer.

- | | | |
|---|-----------|---|
| • | G McCann | - Non Executive Chairman |
| • | I Rodwell | - Chief Executive Officer and Managing Director |
| • | M Hoffman | - Non Executive Director |
| • | C Kennedy | - Non Executive Director |
| • | S Simson | - Non Executive Director |

Loop Mobile Limited
For the year ended 30 June 2008

Directors' report (continued)

	SHORT- TERM			POST-EMPLOYMENT		SHARE-BASED		
2008	Salary & Fees	Consultancy Fees	Non monetary benefits	Super-annuation	Retirement benefits	Shares	Options	Total \$
Non-Executive Directors								
G McCann	89,067	-	-	8,016	-	71,750	-	168,833
M Hoffman (*)	279,401	-	2,599	45,000	-	358,751	-	685,751
S Simson	-	-	-	30,000	-	71,750	-	101,750
C Kennedy	33,761	-	-	3,039	-	71,750	-	108,550
Executive Directors								
I Rodwell	184,100	-	5,564	18,000	-	215,249	-	422,913
Other Key Management Personnel								
A W Bursill (**)	-	-	-	-	-	-	-	-
TOTAL	586,329	-	8,163	104,055	-	789,250	-	1,487,797

* M Hoffman was an executive director of the Company until 31 July 2008, at which time he became a non-executive Director.

** A W Bursill, company secretary, is an associate of Franks & Associates Pty Ltd who provides accounting and company secretarial services to Loop Mobile Limited. The contract between Loop Mobile Limited and Franks & Associates is based on normal commercial terms. A total of \$117,459 (2007: \$ nil) was received by Franks & Associates in relation to this contract for the year. Further information is contained in Note 19(e).

	PRIMARY			POST-EMPLOYMENT		SHARE-BASED		
2007	Salary & Fees	Consultancy Fees	Non monetary benefits	Super-annuation	Retirement benefits	Shares	Options	Total \$
Non-Executive Directors								
G McCann	15,291	-	-	1,376	-	-	-	16,667
S Simson	5,500	-	-	-	-	-	-	5,500
C Kennedy	33,332	-	-	3,000	-	-	-	36,332
M Day (former Director-resigned 24 Apr 2007)	-	-	-	-	-	-	-	-
G Bullen (former Director-resigned 24 Apr 2007)	-	-	-	-	-	-	-	-
Executive Directors								
M Hoffman	140,000	7,875	-	12,600	-	400,000	-	560,475
Other Key Management Personnel								
I Rodwell	157,082	-	-	12,900	-	200,000	-	369,982
A W Bursill (**)	-	-	-	-	-	-	-	-
TOTAL	351,205	7,875	-	29,876	-	600,000	-	988,956

Directors' report (continued)

C Service agreements (audited)

M Hoffman, Managing Director (commencing from 15 January, 2007)

- Term – open term, with 6 months notice from either party
- Base salary, exclusive of superannuation, \$300,000 per annum
- Annual performance-related cash bonus at maximum of 50% of base salary
- Received 2 million shares and 5 million options on successful completion of the IPO offer

I Rodwell, Head of Technology and Product (commencing under a new contract from 15 January, 2007)

- Term – open term, 6 months notice from either party
- Base salary, exclusive of superannuation, \$200,000 per annum
- Received 1 million shares and 3 million options on successful completion of the IPO offer

D Share-based payments (audited)

Options

During the financial year, a total of 12,765,000 options were issued to Directors and Employees as follows:

Option series	Numbers of options issued	Exercise Price	Earliest exercise date	Expiry date
A – Director	5,500,000	\$0.20	16 July 2007	15 June 2012
B – Director	2,750,000	\$0.20	15 June 2008	15 June 2012
C – Director	2,750,000	\$0.20	15 June 2009	15 June 2012
A – Staff	882,500	\$0.20	15 December 2007	15 December 2012
B – Staff	441,250	\$0.20	15 December 2008	15 December 2012
C – Staff	441,250	\$0.20	15 December 2009	15 December 2012
Total	12,765,000			

Name of option holder	Number of options issued	Series A	Series B	Series C
Martin Hoffman	5,000,000	2,500,000	1,250,000	1,250,000
Ian Rodwell	3,000,000	1,500,000	750,000	750,000
Greg McCann	1,000,000	500,000	250,000	250,000
Christine Kennedy	1,000,000	500,000	250,000	250,000
Stuart Simson	1,000,000	500,000	250,000	250,000
Staff	1,765,000	882,500	441,250	441,250
Total	12,765,000	6,382,500	3,191,250	3,191,250

These options form part of the Directors remuneration for the year ending 30 June 2008 as set-out below:

Name of option holder	Number of options issued	Amount \$
Martin Hoffman	5,000,000	358,751
Ian Rodwell	3,000,000	215,249
Greg McCann	1,000,000	71,750
Christine Kennedy	1,000,000	71,750
Stuart Simson	1,000,000	71,750
Total	11,000,000	789,250

Shares provided in exercise of remuneration options

No ordinary shares were issued during the year ended 30 June 2008 as a result of exercise of remuneration options by the Directors of Loop Mobile.

Loop Mobile Limited
For the year ended 30 June 2008

Directors' report (continued)

Shares granted to directors

The following shares were granted to directors during the current financial year:

Director	Number of shares granted	
	2008	2007
M Hoffman	Nil	2,000,000
I Rodwell	Nil	1,000,000

Insurance of officers

During the financial year, Loop Mobile paid directors and officers public liability insurance premium of \$57,410 to insure the directors and secretaries of the company and its Australian-based controlled entities, and the general managers of each of the divisions of Loop Mobile.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Auditor

Grant Thornton NSW was appointed by the directors' in accordance with the requirements of the Corporations Act 2001.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company is important.

Details of amounts paid or payable to the auditor, Grant Thornton NSW, for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporation Act 2001* for the following reasons:

All non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor.

None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for services provided by the auditor:

	2008 \$	2007 \$
Audit services		
Grant Thornton NSW - Audit and review of financial reports	50,599	47,500
Non-audit services		
Grant Thornton – Investigating Accountant Report for IPO	14,000	85,000
Grant Thornton – Tax advice	-	4,100
Total	64,599	136,600

Loop Mobile Limited
For the year ended 30 June 2008

Directors' report (continued)

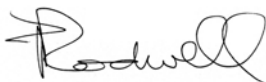
Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17.

This report is made in accordance with a resolution of directors.



Greg McCann
Chairman
27 August 2008



Ian Rodwell
Managing Director
27 August 2008

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Corporate governance statement

General

The Company's corporate governance framework has been formulated in light of the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council in 2007 (**ASX Recommendations**). The Company's framework largely complies with these recommendations. Consistent with the Company's approach to sound corporate governance, opportunities for improvement are regularly considered.

Day-to-day management of the affairs of the Company and its controlled entities are delegated by the Board to the Chief Executive Officer and senior executives. The Directors are responsible to shareholders for the performance of the Company and their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The main processes that the directors of the Company use in doing so are set out in this statement.

The Board of Directors

The Board carries out its responsibilities according to the following mandate:

- The Board should comprise at least four directors, with at least half being non-executive directors;
- The Chairman of the board should be a non-executive director;
- The directors should possess a broad range of skills, qualifications and experience;
- The Board should at least meet on a quarterly basis; and
- All available information in connection with items to be discussed at a meeting of the Board shall be provided to each director prior to that meeting.

The primary responsibilities of the Board include:

- The approval of the annual and half-yearly financial reports, and quarterly cash statements (as long as required);
- The establishment of the long term goals of the consolidated entity and strategic plans to achieve those goals;
- The review and adoption of annual budgets for the financial performance of Loop Mobile and monitoring the results on a quarterly basis;
- Ensuring that the consolidated entity has implemented adequate internal controls together with appropriate monitoring of compliance activities; and
- Ensuring that the consolidated entity is able to pay its debts as and when they fall due.

Loop Mobile discloses the curriculum vitae of each director in its Annual Report.

The Chairman of Loop Mobile is Greg McCann and the Chief Executive Officer is Ian Rodwell, therefore as required under best practice, there is separation of these two roles.

Due to Loop Mobile's current size and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:

The ASX Recommendations state that a majority of the Board should be independent. As at the date of this report, three of the five of the Directors are not considered independent, namely Martin Hoffman who is a recent retired executive director of Loop Mobile, Ian Rodwell, who is an executive Director of Loop Mobile and Christine Kennedy who is an associate of a substantial Shareholder, Loop BVI.

Corporate governance statement (continued)

Executive Management

Loop Mobile's executive management comprises the Chief Executive Officer (Mr Ian Rodwell), and Head of Business Development (Mr Paul Grueber), to whom the Board delegates responsibilities to as outlined in their contracts and as expected for these executive positions.

Loop Mobile's Chief Financial Officer and Company Secretary is Mr Andrew Bursill. Mr Bursill performs these duties pursuant to a contractual arrangement between Loop Mobile and Franks & Associates Pty Ltd, a firm of Chartered Accountants.

Independent Professional Advice

With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at Loop Mobile's expense concerning any aspect of Loop Mobile's operations or undertaking in order to fulfil their duties and responsibilities as directors.

Ethical Standards

The Board endeavours to ensure that the Directors, officers and employees of Loop Mobile act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

Specifically, Directors, officers and employees must:

- Comply with the law;
- Act in the best interests of Loop Mobile;
- Be responsible and accountable for their actions; and • Observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

Trading Policy

Loop Mobile's policy regarding directors and employees trading in its securities, is set by the Board of Directors. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Loop Mobile has set the following windows for trading in the company's securities by the directors and employees, being between two and thirty two days following:

- The release to the ASX of Loop Mobile's preliminary full year financial statements;
- The release to the ASX of Loop Mobile's half year financial statements;
- The release to the ASX of Loop Mobile's quarterly 4C cash statements;
- The date on which Loop Mobile holds its annual general meeting; and
- The initial quotation of Loop Mobile's Shares on the ASX.

Audit & Finance Committee

Due to the size and nature of Loop Mobile, the Board does not have an audit and finance committee, which is a departure from the ASX Recommendations.

The Board is aware of the Principles of Good Corporate Governance and Best Practice Recommendations, and will continue to work towards full adoption of the recommendations in line with growth and development of Loop Mobile in the years ahead.

Corporate governance statement (continued)

Continuous Disclosure

The CEO and Company Secretary have been appointed as the persons responsible for communications with the ASX. The Board is responsible for ensuring the compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and co-ordinating information disclosure to the ASX.

Communication Policy

The Board and the Company Secretary are responsible for the communications strategy to promote effective communications with shareholders and encourage effective participation at general meeting. Loop Mobile adheres to best practice in its preparation of Notices of Meetings to ensure all shareholders are fully informed. Due to the size of Loop Mobile, all communications are prepared and administered in-house.

Remuneration Committee/Nomination Committee

Due to the size and nature of Loop Mobile, the Board has not yet established a remuneration committee / nomination committee, which is a departure from the ASX Recommendations.

Risk Management

The Board is responsible for oversight of Loop Mobile management's system of internal controls. The Board constantly monitors the operation and financial aspects of Loop's activities and considers the recommendations and advice of external auditors and other external advisers on the operations and financial risks that face Loop Mobile. The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that Loop Mobile has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

Loop Mobile obtains statements from its Chief Executive Officer and Chief Financial Officer that:

- Loop Mobile's financial reports present a true and fair view in all material respects of Loop Mobile's financial condition and operational results, and are in accordance with the relevant accounting standards. Furthermore, the Board states to Shareholders in Loop Mobile's accounts that they are true and fair, in all material respects.
- The integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements policies adopted by the Board.
- Loop Mobile's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Board believes Loop Mobile's risk management and internal compliance and control procedures are operating efficiently and effectively in all material aspects appropriate for a company of Loop Mobile's size and nature. The Board will continue to monitor this aspect of Loop Mobile closely, and will cause to be developed a comprehensive Risk Management Process and Policy document, additional to the material outlined above.

Corporate governance statement (continued)

Code of Conduct

As part of the Board's commitment to the highest standard of conduct, Loop Mobile adopts a code of conduct to guide management and employees in carrying out their duties and responsibilities as follows.

All directors, executives, employees and consultants of Loop Mobile are expected to act with integrity and objectivity and maintain appropriate ethical standards.

All directors, executives, employees and consultants of Loop Mobile have the following duties:

- to act honestly, fairly and without prejudice in all commercial dealings and to conduct business with professional courtesy and integrity;
- to work in a safe, healthy and efficient manner, using their skills, time and experience to the maximum of their ability;
- to comply with applicable awards, company policies and job requirements;
- not to knowingly make any misleading statements to any person or to be a party to any improper practice in relation to dealings with or by Loop Mobile;
- to ensure that Loop Mobile's resources and property are used properly; and
- not to disclose information or documents relating to Loop Mobile or its business, other than as required by law, not to make any unauthorised public comment on Loop Mobile's affairs and not to misuse any information about Loop Mobile or its associates.



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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF LOOP MOBILE LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Loop Mobile Limited for the year ended 30 June 2008, 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 NSW

GRANT THORNTON NSW
Chartered Accountants

G S Layland

G S Layland
Partner

Sydney, 27 August 2008

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOP MOBILE LIMITED AND ITS CONTROLLED ENTITY

We have audited the accompanying financial report of Loop Mobile Limited (the Company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards 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 as to whether the financial report is free of material misstatement.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOP MOBILE LIMITED AND ITS CONTROLLED ENTITY (cont)

Auditor's responsibility (cont)

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

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

Independence

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

Auditor's opinion

In our opinion:

- a the financial report of Loop Mobile Limited is 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 2008 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 June 2008. 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.



Grant Thornton

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOOP MOBILE LIMITED AND ITS CONTROLLED
ENTITY (cont)**

Auditor's Opinion

In our opinion the Remuneration Report of Century Australia Investments Pty Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

G S Layland

G S Layland
Partner

Sydney, 27 August 2008

Income statements

For the year ended 30 June 2008

	Note	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Sales revenue		1,474,485	1,483,965	1,474,485	1,483,965
Other revenue		510,732	23,747	509,980	23,121
Total revenue	5	1,985,217	1,507,712	1,984,465	1,507,086
Computer expenses		(538,478)	(403,928)	(538,478)	(403,928)
Marketing expenses		(280,561)	(53,669)	(280,561)	(53,669)
Travel and entertainment expenses		(258,074)	(255,736)	(258,074)	(255,736)
Occupancy expenses		(76,716)	(101,999)	(76,716)	(101,999)
Administration expenses		(297,161)	(468,168)	(295,999)	(468,132)
Finance costs		(96)	(52,202)	(96)	(52,202)
Legal and professional fees		(435,966)	(65,825)	(435,966)	(65,825)
IPO related expenses		-	(175,601)	-	(175,601)
Employee benefits expenses	6	(2,368,171)	(1,652,682)	(2,368,171)	(1,652,682)
Share based payments	6	(817,900)	(818,000)	(817,900)	(818,000)
Depreciation and amortisation		(26,956)	(34,534)	(26,956)	(34,534)
Total expenses		(5,100,079)	(4,082,344)	(5,098,917)	(4,082,308)
Loss before income tax expense		(3,114,862)	(2,574,632)	(3,114,452)	(2,575,222)
Income tax expense	7	-	-	-	-
Loss for the year after tax		(3,114,862)	(2,574,632)	(3,114,452)	(2,575,222)
Loss attributable to equity holders of Loop Mobile Limited		(3,114,862)	(2,574,632)	(3,114,452)	(2,575,222)
Basic EPS (cents per share)	21	(5.18)	(35.67)		
Diluted EPS (cents per share)	21	(5.18)	(35.67)		

Balance sheets

As at 30 June 2008

	Note	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Current assets					
Cash and cash equivalents	8	1,838,874	5,083,013	1,838,874	5,080,980
Trade and other receivables	9	149,342	252,150	149,342	252,150
Other current assets	10	57,918	55,499	57,918	57,122
Total current assets		2,046,134	5,390,662	2,046,134	5,390,252
Non-current assets					
Property, plant and equipment	11	21,352	31,033	21,352	31,033
Intangible assets	12	3,453	1,699	3,453	1,699
Total non-current assets		24,805	32,732	24,805	32,732
Total assets		2,070,939	5,423,394	2,070,939	5,422,984
Current liabilities					
Trade and other payables	14	240,825	1,262,159	240,825	1,262,159
Short-term provisions	15	132,557	139,041	132,557	139,041
Total current liabilities		373,382	1,401,200	373,382	1,401,200
Total liabilities		373,382	1,401,200	373,382	1,401,200
Net assets		1,697,557	4,022,194	1,697,557	4,021,784
Equity					
Issued capital	16	9,038,988	9,066,663	9,038,988	9,066,663
Reserves		1,033,371	215,471	1,033,371	215,471
Accumulated losses		(8,374,802)	(5,259,940)	(8,374,802)	(5,260,350)
Total equity		1,697,557	4,022,194	1,697,557	4,021,784

Statement of changes in equity

For the year ended 30 June 2008

CONSOLIDATED	Ordinary Shares \$	Capital contributions \$	Translation Reserves \$	Options Reserves \$	Accumulated losses \$	Total \$
Balance at 30 June 2006	2,112,642	229,621	-	-	(2,685,308)	(343,045)
Foreign currency translation reserve	-	-	(11,349)	-	-	(11,349)
Net income recognised directly in equity	-	-	(11,349)	-	-	(11,349)
Loss for the year	-	-	-	-	(2,574,632)	(2,574,632)
Total recognised income and expense for the year	-	-	(11,349)	-	(2,574,632)	(2,585,981)
Conversion: debt to equity	1,500,000	-	-	-	-	1,500,000
Issue of shares - IPO	5,000,000	-	-	-	-	5,000,000
Capital contributed	-	72,030	-	-	-	72,030
Return of capital contributed	-	(74,831)	-	-	-	(74,831)
Capital raising costs	(363,979)	-	-	-	-	(363,979)
Share based payments	818,000	-	-	-	-	818,000
Balance at 30 June 2007	9,066,663	226,820	(11,349)	-	(5,259,940)	4,022,194
Loss for the year					(3,114,862)	(3,114,862)
Total recognised income and expense for the year					(3,114,862)	(3,114,862)
Capital raising costs	(27,675)	-	-	-	-	(27,675)
Share based payments	-	-	-	817,900	-	817,900
Balance at 30 June 2008	9,038,988	226,820	(11,349)	817,900	(8,374,802)	1,697,557

Statement of changes in equity

For the year ended 30 June 2008

PARENT	Ordinary Shares \$	Capital contributions \$	Translation Reserves \$	Options Reserves \$	Accumulated losses \$	Total \$
Balance at 30 June 2006	2,112,642	229,621	-	-	(2,685,128)	(342,865)
Foreign currency translation reserve	-	-	(11,349)	-	-	(11,349)
Net income recognised directly in equity	-	-	(11,349)	-	-	(11,349)
Loss for the year	-	-	-	-	(2,575,222)	(2,575,222)
Total recognised income and expense for the year	-	-	(11,349)	-	(2,575,222)	(2,586,571)
Conversion of debt to equity	1,500,000	-	-	-	-	1,500,000
Issue of shares - IPO	5,000,000	-	-	-	-	5,000,000
Capital contributed - related party	-	72,030	-	-	-	72,030
Return of capital contributed	-	(74,831)	-	-	-	(74,831)
Capital raising costs	(363,979)	-	-	-	-	(363,979)
Share based payments	818,000	-	-	-	-	818,000
Balance at 30 June 2007	9,066,663	226,820	(11,349)	-	(5,260,350)	4,021,784
Loss for the year					(3,114,452)	(3,114,452)
Total recognised income and expense for the year					(3,114,452)	(3,114,452)
Capital raising costs	(27,675)	-	-	-	-	(27,675)
Share based payments	-	-	-	817,900	-	817,900
Balance at 30 June 2008	9,038,988	226,820	(11,349)	817,900	(8,374,802)	1,697,557

These financial statements should be read in conjunction with the accompanying notes.

Cash flow statements

For the year ended 30 June 2008

	Note	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Cash flows from operating activities					
Receipts from customers		1,893,097	1,443,580	1,893,097	1,443,580
Payments to suppliers and employees		(4,233,329)	(3,054,945)	(4,233,150)	(3,054,909)
Interest received		177,900	17,822	177,148	17,196
Interest paid		(96)	-	(96)	-
Net cash (used in) operating activities	18	(2,162,428)	(1,593,543)	(2,163,001)	(1,594,133)
Cash flows from investing activities					
Proceeds from sale of non-current assets		409	3,435	409	3,435
Payment for non-current assets		(24,619)	(21,983)	(24,619)	(21,983)
Net cash (used in) investing activities		(24,210)	(18,548)	(24,210)	(18,548)
Cash flows from financing activities					
Proceeds from the issue of shares		-	5,000,000	-	5,000,000
Capital raising payments		(324,990)	(199,979)	(324,990)	(199,979)
Proceeds from loans with related parties		-	1,792,407	-	1,792,407
Payment of loan to subsidiary		-	-	(270,569)	(828,891)
Repayment of loan to related party		(713,819)	-	(713,819)	-
Repayment of loan from subsidiary		-	-	273,175	830,582
Loan to related party		(18,692)	-	(18,692)	-
Additional contribution from shareholders		-	72,030	-	72,030
Net cash provided by financing activities		(1,057,501)	6,664,458	(1,054,895)	6,666,149
Net (decrease) / decrease in cash and cash equivalents		(3,244,139)	5,052,367	(3,242,106)	5,053,468
Cash and cash equivalents at the beginning of the year		5,083,013	30,646	5,080,980	27,512
Cash and cash equivalents at end of year		1,838,874	5,083,013	1,838,874	5,080,980

Notes to financial statements

For the year ended 30 June 2008

Note 1: Summary of significant accounting policies

The financial report covers Loop Mobile Limited, a public listed company, incorporated and domiciled in Australia.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report was authorised for issue by the Directors on 27 August 2008.

(a) Basis of preparation

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

The financial report of Loop Mobile complies with all International Financial Reporting Standards (IFRS) in their entirety.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. Note 3 provides details of these estimates.

Going concern

The financial report has been prepared on a going concern basis. In the opinion of the directors, the consolidated entity is able to realise its assets and extinguish its liabilities in the normal course of business. The financial report has therefore been prepared on the going concern basis.

(b) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

Note 1: Summary of significant accounting policies (continued)

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

Prior to the spin-off from ASC during June 2007, the company was previously part of the ASC consolidated tax group. The company has now ceased to be part of the ASC consolidated tax group.

(d) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(e) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(g) Revenue and other income

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

Note 1: Summary of significant accounting policies (continued)

(h) Contributed equity

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

(i) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(k) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each group entity 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 income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference 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 income statement.

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.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Note 1: Summary of significant accounting policies (continued)

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

(l) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

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

Financial liabilities

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

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 prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(m) Share based payments

When goods or services received are acquired in a share-based payment transaction, they are recognised as expenses or assets, as determined by the nature of the goods or services received, over the vesting period attached to the equity instrument acquired in the transaction. A corresponding increase is recognised in equity.

The goods or services are measured by reference to the fair value of goods or services received, or where this is not possible, indirectly, by reference to the equity instrument acquired. The fair value of the equity instrument is measured at grant date.

The fair value of securities provided to directors and employees is determined by reference to the fair value of the equity instrument granted.

(n) 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.

Depreciation

The depreciable amount of all fixed 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.

Note 1: Summary of significant accounting policies (continued)

Depreciation (continued)

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

Class of fixed asset	Depreciation rate
Furniture and fittings	11½% - 30%
Computer equipment	37½% - 60%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 or losses are included in the income statement.

Intangible assets

Intangible assets are computer software purchased by the consolidated entity and are carried at cost. Computer software is amortised over its expected useful life of 2 years. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

Impairment of 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 income statement.

(o) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits using the government bond discount rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(p) 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.

(q) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

(r) Adoption of new accounting standards

The consolidated entity has adopted AASB 7 *Financial Instruments; Disclosures* and all consequential amendments which became applicable on 1 January 2007. The adoption of this standard has only affected the disclosure in these financial statements. There has been no affect on profit and loss or the financial position of the entity.

Note 1: Statement of significant accounting policies (continued)

(s) New accounting standards and interpretations

The following Australian Accounting Standards have been issued or amended and are applicable to the company but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Accounting Standards

AASB No.	Title	Issue Date	Operative Date (Annual reporting periods beginning on or after)
8	Operating Segments	Feb 2007	1 Jan 2009
101	Presentation of Financial Statements (Amended)	Sept 2007	1 Jan 2009
123	Borrowing Costs (Amended)	June 2007	1 Jan 2009
3	Business combinations(Amended)	Mar 2008	1 Jul 2009
127	Consolidated and Separate Financial Statements(Amended)	Mar 2008	1 Jul 2009
2008-1	Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations	Mar 2008	1 Jan 2009
2008-2	Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation	Mar 2008	1 Jul 2009
2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Jul 2008	1 Jan 2009
2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Jul 2008	1 Jul 2009
2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	Jul 2008	1 Jan 2009

Australian Interpretations

Int No.	Title	Issue Date	Operative Date (Annual reporting periods beginning on or after)
4	Determining whether an Arrangement contains a Lease [revised]	Feb 2007	1 Jan 2008
12	Service Concession Arrangements	Feb 2007	1 Jan 2008
13	Customer Loyalty Programmes	Aug 2007	1 Jul 2008
129	Service Concession Arrangements: Disclosures [revised]	Feb 2007	1 Jan 2008
IFRIC 15	Agreements for the Construction of Real Estate	Jul 2008	1 Jan 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Jul 2008	1 Oct 2008

Note 1: Statement of significant accounting policies (continued)

(s) New accounting standards and interpretations (continued)

Analysis of changes - Accounting Standards

The following standards will be adopted by the company during the first annual reporting period after the effective date of each pronouncement.

AASB 8:

- (a) specifies how an entity should report information about its operating segments in annual financial reports and, as a consequential amendment to AASB 134 Interim Financial Reporting, requires an entity to report selected information about its operating segments in interim financial reports. It also sets out requirements for related disclosures about products and services, geographical areas and major customers;
- (b) requires an entity to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments;
- (c) requires an entity to report a measure of operating segment profit or loss and of segment assets. It also requires an entity to report a measure of segment liabilities and particular income and expense items if such measures are regularly provided to the chief operating decision maker. It requires reconciliations of total reportable segment revenues, total profit or loss, total assets, liabilities and other amounts disclosed for reportable segments to corresponding amounts in the entity's financial statements;
- (d) requires an entity to report information about the revenues derived from its products or services (or companies of similar products and services), about the countries in which it earns revenues and holds assets, and about major customers, regardless of whether that information is used by management in making operating decisions. However, the Standard does not require an entity to report information that is not prepared for internal use if the necessary information is not available and the cost to develop it would be excessive; and
- (e) requires an entity to give descriptive information about the way the operating segments were determined, the products and services provided by the segments, differences between the measurements used in reporting segment information and those used in the entity's financial statements, and changes in the measurement of segment amounts from period to period.

AASB 8 will result in a change in the segment disclosures presented in the financial report such that the segments presented will not be based on primary and secondary segments but reflect those segments and amounts regularly reviewed by the entity's chief operating decision maker. While the amounts presented in the financial statements will not change the amounts presented in the segment reporting note may differ to those currently presented as a result of AASB 8 requiring the amounts presented to be based on those seen by the entity's chief operating decision maker.

AASB 101 (Amended)

AASB 101 amended changes how an entity presents changes in equity and especially how it reports changes in equity that arise from transactions with owners in their capacity as owners. The amended standard also changes presentation and terminology of the primary financial statements. The new rules do not change the recognition, measurement or disclosure of specific transactions and other events.

The introduction of AASB 101 (amended) will not have a material impact on the amounts presented within the financial statement but it likely to result in a substantial change in the presentation and terminology of the primary financial statements.

Note 1: Statement of significant accounting policies (continued)

(s) New accounting standards and interpretations (continued)

AASB 3 Business Combinations (Amended)

AASB 3 (revised) changes the way in which an entity will account for business combinations. The key changes from the previous AASB 3 (outlined in the revised AASB 3) are:

- (a) The scope was broadened to cover business combinations involving only mutual entities and business combinations achieved by contract alone.
- (b) The definitions of a business and a business combination were amended and additional guidance was added for identifying when a group of assets constitutes a business.
- (c) For each business combination, the acquirer must measure any non-controlling interest in the acquiree either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Previously, only the latter was permitted.
- (d) The requirements for how the acquirer makes any classifications, designations or assessments for the identifiable assets acquired and liabilities assumed in a business combination were clarified.
- (e) The period during which changes to deferred tax benefits acquired in a business combination can be adjusted against goodwill has been limited to the measurement period (through a consequential amendment to AASB 112).
- (f) An acquirer is no longer permitted to recognise contingencies acquired in a business combination that do not meet the definition of a liability.
- (g) Costs the acquirer incurs in connection with the business combination must be accounted for separately from the business combination, which usually means that they are recognised as expenses (rather than included in goodwill).
- (h) Consideration transferred by the acquirer, including contingent consideration, must be measured and recognised at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as liabilities are recognised in accordance with AASB 139 Financial Instruments: Recognition and Measurement, AASB 137 Provisions, Contingent Liabilities and Contingent Assets or other Australian Accounting Standards, as appropriate (rather than by adjusting goodwill). The disclosures required to be made in relation to contingent consideration were enhanced.
- (i) Application guidance was added in relation to when the acquirer is obliged to replace the acquiree's share-based payment awards; measuring indemnification assets; rights sold previously that are reacquired in a business combination; operating leases; and valuation allowances related to financial assets such as receivables and loans.
- (j) For business combinations achieved in stages, having the acquisition date as the single measurement date was extended to include the measurement of goodwill. An acquirer must remeasure any equity interest it holds in the acquiree immediately before achieving control at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss.
- (k) Previously the requirements for restructuring of local governments were included in AASB 3 (issued July 2004 and amended to December 2007). Those requirements were excluded from this Standard, based on the Board's decision to consider the suitability of this Standard for combinations among not-for-profit entities in the short-term.
- (l) The application of revised AASB 3 and amended AASB 127 will supersede Interpretation 1001 Consolidated Financial Reports in relation to Pre-Date-of-Transition Dual Listed Company Arrangements, Interpretation 1002 Post-Date-of-Transition Stapling Arrangements and Interpretation 1013 Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements.

Adoption of the revised AASB 3 is likely to result in substantial changes in the way in which the entity accounts for business combinations. The entity has been unable to assess (as at authorisation of this financial report) the financial impact of this change on the entity's financial report in the period of initial application.

AASB 2008-1

AASB 2008-1 clarifies that vesting conditions comprise service conditions and performance conditions only and that other features of a share-based payment transaction are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

Adoption of the revised AASB 2008-1 will not result in a change in accounting policy for the entity as AASB 2008-1 only clarifies an existing treatment the entity had already complied with.

Note 1: Statement of significant accounting policies (continued)

(s) New accounting standards and interpretations (continued)

AASB 2008-5

AASB 2008-5 results from the International Accounting Standards Board's annual improvements project. The annual improvements project provides a vehicle for making non-urgent but necessary amendments to IFRSs.

The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The subjects of the principal amendments to the Standards are set out in the preface to the standard. Each entity needs to assess the likely impact of any changes.

Analysis of changes - Interpretations

The following interpretations will be adopted by the entity during the first annual reporting period after the effective date of each pronouncement.

Interpretation 4 (revised)

This Interpretation specifies criteria for determining whether an arrangement is, or contains, a lease. The determination is based on an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. Further, reassessment of whether an arrangement is, or contains, a lease is based on whether there is a change in the contractual terms of the arrangement, exercise of a renewal option, an extension of the arrangement, a change in the determination of whether fulfilment is dependent on a specified asset or a substantial change to the asset.

If an arrangement contains a lease, the parties to the arrangement apply the requirements of AASB 117 Leases to the lease element of the arrangement, unless exempted from those requirements by the Standard. Accordingly, if an arrangement contains a lease, that lease is classified as a finance lease or an operating lease. Other elements of the arrangement not within the scope of AASB 117 are accounted for in accordance with other Standards.

Adoption of Interpretation 4 (revised) is unlikely to have a material impact on the entity's financial report as the entity has no current or expected arrangements which would fall within the scope of this interpretation.

Note 2: Financial risk management

a. Financial Risk Management Policies

The group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The group does not presently have any bills, leases, preference shares, or derivatives.

i. Treasury Risk Management

Due the size and nature of the group's operations, and the group's limited exposure to treasury products, the group does not consider treasury risk to be a main risk of the group.

ii. Financial Risk Exposures and Management

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

Due to the size and nature of the group's operations, the group does not consider interest rate risk or price risk to be main risks of the group.

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.

The risk is not considered to be sufficient to warrant specific risk management policies to be implemented.

Note 2: Financial risk management (continued)

a. Financial Risk Management Policies (continued)

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate access to funds on deposit are maintained.

Credit risk

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

There are no material amounts of collateral held as security at 30 June 2008.

Credit risk is managed on a group basis and reviewed regularly. It arises from exposures to customers as well as through and deposits with financial institutions.

The group monitors credit risk by actively assessing the rating quality and liquidity of counter parties, noting that the majority of counter parties are large telecommunication organisations.

The Group has a significant concentration of credit risk with Hutchison 3G in both Australia and the United Kingdom. The group manages this risk by maintaining tight credit control policies.

During the year ended 30 June 2008, the consolidated entity generated 58% (2007: 98%) of its gross turnover from Hutchison 3G in Australia and United Kingdom.

The credit risk for counterparties included in trade and other receivables as at 30 June 2008 is detailed below:

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$00
Trade and other receivables				
Counterparties not rated	149,342	252,150	149,342	252,150
Total				

Note 2: Financial risk management (continued)

b. Financial Instruments

i. Derivative Financial Instruments

As at the date of this report, the group does not have any derivative financial instruments.

ii. Trade and sundry payables

Trade and sundry payables are expected to be paid as follows:

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Less than 6 months	240,825	1,262,159	240,825	1,262,825

iii. Net Fair Values

The net fair values of all assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Financial assets where the carrying amount exceeds net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

iv. Sensitivity Analysis

Interest Rate Risk and Foreign Currency Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance 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 2008, the only item effect by a change in interest rate would be the cash on deposit. An change in interest rates of 1% p.a. will not have a material effect on either the profit or equity of the group .

Foreign Currency Risk Sensitivity Analysis

As at the date of this report, the group holds GBP129,113 (AU\$268,232). A change of 15% in the GBP/AUD cross-rate will not have a material effect on either net profit, or equity of the group.

As at the date of this report, the group does not have any material contracts that are denominated in foreign currency. However, this situation could change depending on the location on new customers, with the majority of new contracts being denominated in the local currency in the country of operation.

The above interest rate and foreign exchange rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Note 2: Financial risk management (continued)

Consolidated

	Floating Interest Rate		Fixed Interest 1 Year Maturity		Non-Interest Bearing		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Financial Assets:								
Petty cash	-	-	-	-	500	1,477	500	1,477
Cash at bank (GBP denominated accounts)	268,232	10,118	-	-	-	-	268,232	10,118
Cash at bank (AUD denominated accounts)	1,570,142	5,071,418	-	-	-	-	1,570,142	5,071,418
Receivables	-	-	-	-	149,342	252,150	149,342	252,150
Loan to Director	-	-	8,854	-	-	-	8,854	-
Total Financial Assets	1,838,374	5,081,536	8,854	-	149,842	253,627	1,997,070	5,335,163
Financial Liabilities:								
Trade creditors	-	-	-	-	55,114	250,036	55,114	250,036
Sundry creditors and accruals	-	-	-	-	185,711	298,304	185,711	298,304
Total Financial Liabilities	-	-	-	-	240,825	548,340	240,825	548,340

Note 2: Financial risk management (continued)

Parent

	Floating Interest Rate		Fixed Interest 1 Year Maturity		Non-Interest Bearing		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Financial Assets:								
Petty cash	-	-	-	-	500	1,477	500	1,477
Cash at bank (GBP denominated accounts)	268,232	6,608	-	-	-	-	268,232	6,608
Cash at bank (AUD denominated accounts)	1,570,142	5,071,418	-	-	-	-	1,570,142	5,071,418
Receivables	-	-	-	-	149,342	252,150	149,342	252,150
Loan to related party	-	-	-	-	-	1,623	-	1,623
Loan to Director	-	-	8,854	-	-	-	8,854	-
Total Financial Assets	1,838,374	5,078,026	8,854	-	149,842	255,250	1,997,070	5,333,276
Financial Liabilities:								
Trade creditors	-	-	-	-	55,114	250,036	55,114	250,036
Sundry creditors and accruals	-	-	-	-	185,711	298,304	185,711	298,304
Total Financial Liabilities	-	-	-	-	240,825	548,340	240,825	548,340

Note 3: Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Company makes estimates in arriving at provision for employee entitlements, provision for doubtful debts, and the life of plant and equipment. However, these estimates are not considered material to the group.

Note 4: Segment information

Loop Mobile is organised on a global basis into the following geographical areas. The main operation is in Australia.

Primary segment

The primary segment of the consolidated entity is the business segment. The consolidated entity operates in one business segment being the provision of mobile content services.

Secondary segment

The secondary segment of the consolidated entity is the geographic segment. The consolidated entity operates in three geographic areas being Australia, United Kingdom and the United States.

30 June 2008	Australia	UK	US	TOTAL
	\$	\$	\$	\$
Revenue	738,420	734,420	1,645	1,474,485
Assets	1,819,325	268,232	-	2,087,557
Liabilities	373,382	-	-	373,382

30 June 2007	Australia	UK	US	TOTAL
	\$	\$	\$	\$
Revenue	430,367	1,077,345	-	1,507,712
Assets	5,412,355	11,039	-	5,423,394
Liabilities	1,401,200	-	-	1,401,200

Note 5: Revenue

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Sales	1,493,399	1,483,965	1,474,485	1,483,965
Other	313,509	5,925	332,423	5,925
Interest received	178,309	17,822	177,557	17,196
	<u>1,985,217</u>	<u>1,507,712</u>	<u>1,984,465</u>	<u>1,507,086</u>

Note 6: Employee benefits expense

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Salaries & wages	2,209,610	1,533,465	2,209,610	1,533,465
Superannuation	158,561	119,217	158,561	119,217
	<u>2,368,171</u>	<u>1,652,682</u>	<u>2,368,171</u>	<u>1,652,682</u>
Share based payments	<u>817,900</u>	<u>818,000</u>	<u>817,900</u>	<u>818,000</u>

Note 7: Income tax expense

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
The prima facie tax on loss before income tax is reconciled to income tax expense as follows:				
Loss from continuing operations before income tax expense	(3,114,862)	(2,574,632)	(3,114,452)	(2,575,222)
Prima facie tax payable on loss before income tax at 30% (2007: 30%)	(934,459)	(772,390)	(934,336)	(772,567)
Add tax effect of:				
Non-allowable items	246,162	240,509	246,162	240,509
Tax losses and timing differences not brought to account	688,297	531,881	688,174	532,058
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

No amounts have been recognised for deferred tax on income losses as it is not yet probable that future taxable amounts will be available against which the company will utilise these assets in future years.

As a result of the deconsolidation from the ASC tax group, the company has forfeited all income tax losses incurred before 27 June 2007.

Deferred Tax Asset not brought to account arising from:

Temporary differences	52,709	-	52,709	-
Tax losses	635,588	-	635,465	-
	<u>688,297</u>	<u>-</u>	<u>688,174</u>	<u>-</u>

Note 8: Cash and cash equivalents

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Cash on hand	500	1,477	500	1,477
Cash at bank	1,838,374	5,081,536	1,838,374	5,079,503
	<u>1,838,874</u>	<u>5,083,013</u>	<u>1,838,874</u>	<u>5,080,980</u>

Note 9: Trade and other receivables

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Receivables	165,961	252,150	165,961	252,150
Less: Provision for Doubtful Debts	(16,619)	-	(16,619)	-
	<u>149,342</u>	<u>252,150</u>	<u>149,342</u>	<u>252,150</u>

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 30 June 2007 \$	Charge for the Year \$	Amounts Written Off \$	Closing Balance 30 June 2008 \$
Consolidated Group				
Current trade receivables	-	16,619	-	16,619
Parent Entity				
Current trade receivables	-	16,619	-	16,619

Consolidated Group

There are no balances within trade and other receivables that contain assets that are not impaired and are significantly outside ordinary trading terms. Impaired assets are provided for in full.

Note 10: Other current assets

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Other Debtors	7,139	3,073	7,139	3,073
Prepayments	41,925	52,426	41,925	52,426
Loan at call due from related party	8,854	-	8,854	1,623
	<u>57,918</u>	<u>55,499</u>	<u>57,918</u>	<u>57,122</u>

Note 11: Property, plant and equipment

Consolidated and Parent	Computer equipment \$	Furniture and fittings \$	Total \$
2007			
Opening net book amount (1 July 2006)	33,182	13,628	46,810
Additions	14,228	4,306	18,534
Disposals	(3,383)	-	(3,383)
Depreciation expense	(26,403)	(4,525)	(30,928)
Closing net book amount at 30 June 2007	<u>17,624</u>	<u>13,409</u>	<u>31,033</u>
Cost	115,931	23,912	139,843
Accumulated depreciation	(98,307)	(10,503)	(108,810)
Net book amount at 30 June 2007	<u>17,624</u>	<u>13,409</u>	<u>31,033</u>
2008			
Opening net book amount (1 July 2007)	17,624	13,409	31,033
Additions	15,130	6,154	21,284
Disposals	(6,129)	(1,442)	(7,571)
Depreciation expense	(17,324)	(6,070)	(23,394)
Closing net book amount at 30 June 2008	<u>9,301</u>	<u>12,051</u>	<u>21,352</u>
Cost	124,932	28,624	153,556
Accumulated depreciation	(115,631)	(16,573)	(132,204)
Net book amount at 30 June 2008	<u>9,301</u>	<u>12,051</u>	<u>21,352</u>

Note 12: Intangible assets

	Computer software \$
2007	
Opening net book amount (1 July 2006)	1,908
Additions	3,449
Disposals	(52)
Depreciation expense	(3,606)
Closing net book amount at 30 June 2007	1,699
Cost	19,351
Accumulated depreciation	(17,652)
Net book amount at 30 June 2007	1,699
2008	
Opening net book amount (1 July 2007)	1,699
Additions	5,316
Disposals	-
Depreciation expense	(3,562)
Closing net book amount at 30 June 2008	3,453
Cost	24,667
Accumulated depreciation	(21,214)
Net book amount at 30 June 2008	3,453

Note 13: Controlled Entities

	Country of Incorporation	Percentage Owned	
		2008	2007
Parent Entity:			
Loop Mobile Limited	Australia		
Subsidiaries of			
Loop Mobile Limited:			
- Loop Wireless (UK) Limited	United Kingdom	100%	100%

Note 14: Trade and other payables

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Accounts payable	138,002	250,037	138,002	250,037
Other payables and accruals	102,823	298,303	102,823	298,303
Due to related parties	-	713,819	-	713,819
	240,825	1,262,159	240,825	1,262,159

Note 15: Provisions

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Employee benefits	132,557	139,041	132,557	139,041

Employee benefits

A provision has been recognised for employee benefits relating to annual leave. Management have determined that given the stage of the company's development the probability of an employee reaching 10 years service is low. Hence long service leave has not been provided for in the financial report. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of this report.

Note 16: Issued capital

(a) Share capital	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
60,088,299 shares fully paid ordinary shares (2007 : 60,088,299)	9,038,988	9,066,663	9,038,988	9,066,663

(b) Movements in equity	Details	Number of shares	Amount \$
1 July 2007	Opening balance	60,088,299	9,066,663
30 June 2008	Less: capital raising costs	-	(27,675)
30 June 2008	Closing balance	60,088,299	9,038,988

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Options

Date	Details	Number of options 2008	Number of options 2007	Exercise Date	Exercise (\$)
1 July 2007	Opening balance	-	-	-	-
16 July 2007	Allotment – Directors – Class A	5,500,000	-	15/6/2012	0.20
16 July 2007	Allotment – Directors – Class B	2,750,000	-	15/6/2012	0.20
16 July 2007	Allotment – Directors – Class C	2,750,000	-	15/6/2012	0.20
10 Dec 2007	Allotment – Employees - Class A	882,500	-	15/12/2012	0.20
10 Dec 2007	Allotment – Employees - Class B	441,250	-	15/12/2012	0.20
10 Dec 2007	Allotment – Employees - Class C	441,250	-	15/12/2012	0.20
30 June 2008	Closing balance	12,765,000	-		

Note 16: Issued capital (continued)

(e) Options reserve

Date	Details	Amount \$
1 July 2007	Opening balance	-
16 July 2007	Options granted to directors	618,207
10 Dec 2007	Options granted to employees	21,162
30 June 2008	Options granted to directors	171,043
30 June 2008	Options granted to employees	7,488
30 June 2008	Closing Balance	<u>817,900</u>

For further information in relation to the Options reserve, please refer to Note 17.

(f) Capital Management

Management controls the capital of the group in order to provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

Due to the early stage nature of the group's business, the group's capital is limited to ordinary share capital.

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 distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. The group does not presently have any borrowings.

Note 17: Share Based Payments

(a) Options

During the financial year, a total of 12,765,000 options were issued to Directors and Employees as follows:

Option series	Numbers of options issued	Exercise Price	Earliest exercise date	Expiry date
A – Director	5,500,000	\$0.20	16 July 2007	15 June 2012
B – Director	2,750,000	\$0.20	15 June 2008	15 June 2012
C – Director	2,750,000	\$0.20	15 June 2009	15 June 2012
A – Staff	882,500	\$0.20	15 December 2007	15 December 2012
B – Staff	441,250	\$0.20	15 December 2008	15 December 2012
C – Staff	441,250	\$0.20	15 December 2009	15 December 2012
Total	12,765,000			

There were no options issued in the prior year.

Fair value of options granted

The fair value at grant date is independently determined that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Note 17: Share Based Payments (continued)

The model inputs for Director options granted during the year ended 30 June 2008 included:

- options are granted for no consideration, have a 5 year life and vest in three tranches, being 50% on issue, 25% by 15 June 2008, and 25% by 15 June 2009
- exercise price: \$0.20
- grant date: 16 July 2007
- expiry date: 15 June 2012
- share price at grant date: \$0.18
- expected price volatility of the company's shares: 46.6%
- expected dividend yield: 0%
- risk-free interest rate: 5.85%

The expected price volatility is based on expected changes to future volatility based on the remaining life of the options due to publicly available information.

The model inputs for staff options granted during the year ended 30 June 2008 included:

- options are granted for no consideration, have a 5 year life and vest in three tranches, being 50% on issue, 25% by 15 December 2008, and 25% by 15 December 2009
- exercise price: \$0.20
- grant date: 10 December 2007
- expiry date: 15 December 2012
- share price at grant date: \$0.09
- expected price volatility of the company's shares: 46.6%
- expected dividend yield: 0%
- risk-free interest rate: 5.85%

The expected price volatility is based on expected changes to future volatility based on the remaining life of the options due to publicly available information.

Note 17: Share Based Payments (continued)

(b) Shares issued as compensation

No shares were issued to Directors or employees as compensation during the year.

Shares issued to Directors or employees as compensation during the prior year.

Date	Details	Number of shares	Issue price \$	Amount \$
1 July 2006	Opening balance	-	-	-
30 May 2007	Martin Hoffman (i)	2,000,000	0.20	400,000
30 May 2007	Ian Rodwell (ii)	1,000,000	0.20	200,000
30 May 2007	Peter Yates (iii)	1,000,000	0.20	200,000
13 June 2007	Shares granted to employees	90,000	0.20	18,000
		4,090,000		818,000

- (i) the issue of 2,000,000 shares at \$0.20 per share to Martin Hoffman in accordance with the terms of his employment contract
- (ii) the issue of 1,000,000 shares at \$0.20 per share to Ian Rodwell in accordance with the terms of his employment contract
- (iii) the issue of 1,000,000 shares at \$0.20 per share to Peter Yates in compensation for executive search service

Note 18: Cash flow information

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Reconciliation of cash flow from operations with loss after income tax				
Loss after income tax	(3,114,862)	(2,574,632)	(3,114,452)	(2,575,222)
Non-cash operating flows in loss after income tax				
Depreciation and amortisation	26,956	34,534	26,956	34,534
Interest on intercompany loan	-	52,202	-	52,202
Loss on sale of fixed assets	1,264	-	1,264	-
Share based payments	817,900	818,000	817,900	818,000
Non-cash employee benefits	13,755	-	13,755	-
Changes in assets and liabilities				
(Increase) in receivables	86,189	(39,455)	86,189	(39,455)
(Increase) in other assets	6,435	(177,336)	5,452	(177,336)
(Decrease)/increase in payables	(22,500)	194,715	(22,500)	194,715
(Decrease)/Increase in provisions	22,435	109,778	22,435	109,778
(Decrease)/Increase in reserves	-	(11,349)	-	(11,349)
Cash flows from operations	(2,162,428)	(1,593,543)	(2,163,001)	(1,594,133)

Note 19: Key management personnel disclosures

(a) Directors

The following persons were directors of Loop Mobile Limited during the financial year:

G McCann	- Non Executive Chairman
I Rodwell	- Managing Director and Chief Executive Officer (appointed 18 August 2008)
M Hoffman	- Non Executive Director
C Kennedy	- Non Executive Director
S Simson	- Non Executive Director

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

A W Bursill	Company Secretary
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(c) Key management personnel

The company has taken advantage of the relief provided by *Corporation Regulation* 2M.6.04 and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in Sections A-C of the remuneration report on pages 8 to 11.

(d) Equity instrument disclosures relating to key management personnel

The numbers of shares in the company held during the financial year by each director of Loop Mobile Limited, including their personally related parties, are set out below.

2008- Ordinary Shares

Name	Balance at start of the year	Received during the year	Other changes during the year	Balance at end of the year
M Hoffman	2,050,000	-	-	2,050,000
I Rodwell	3,150,000	-	-	3,150,000
G McCann	-	-	-	-
C Kennedy	-	-	-	-
S Simson	-	-	-	-
	5,200,000	-	-	5,200,000

2007- Ordinary Shares

Name	Balance at start of the year	Received during the year	Other changes during the year	Balance at end of the year
M Hoffman	-	2,000,000	50,000	2,050,000
I Rodwell	454,218	1,000,000	1,695,782	3,150,000
G McCann	-	-	-	-
C Kennedy	-	-	-	-
S Simson	-	-	-	-
	454,218	3,000,000	1,745,782	5,200,000

Note 19: Key management personnel disclosures (continued)

(e) Other transactions with key management personnel

A W Bursill, company secretary, is also an associate of Franks & Associates Pty Ltd who provides accounting and company secretarial services to Loop Mobile Limited. The contract between Loop Mobile Limited and Franks & Associates is based on normal commercial terms.

During the year the following fees were paid or payable for services provided by Franks & Associates Pty Limited :

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Amounts recognised as expense				
Company secretarial and accounting	117,459	-	117,459	-
Amount recognised in equity				
IPO related matters	-	-	-	-
Total	117,459	-	117,459	-

Note 20: Related party transactions

The wholly owned subsidiary, Loop Wireless (UK) Limited ("Loop (UK)"), is a non-trading entity that has a United Kingdom domiciled bank account as its only asset. During the year ended 30 June 2008, Loop (UK) collected receipts totalling \$270,569 (2007: \$828,891) and made payments totalling \$273,175 (2007: \$830,582) on behalf of the parent entity.

On 18 September 2007, the Company made of loan of \$18,692.48 to Ian Rodwell. A further \$2,284.82 was incurred in relation to this account for Fringe Benefits Tax payable by the Company in relation to benefits provided to Mr Rodwell. The private portion of the loan (50%) accrues interest at the rate prescribed in the Fringe Benefit Taxation regulations (currently 8.05%). During the year ended 30 June 2008, total repayments of \$12,284.82 were made by Mr Rodwell against this loan account. The balance of the loan account outstanding at 30 June 2008 is \$8,854.11

Note 21: Earnings per share

	Consolidated 2008 cents	Consolidated 2007 Cents
(a) Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(5.18)	(35.67)
Loss attributable to ordinary equity holders of the Company	(5.18)	(35.67)

(b) Diluted earnings per share

Options issued to shareholders and related parties are considered to be potential ordinary shares and have been considered in the determination of diluted earnings per share. Options issued to shareholders and related parties are considered to be potential ordinary shares and have been considered in the determination of diluted earnings per share. The calculation of dilutive earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share. Therefore diluted earning per share is not different from basic earnings per share. Diluted earnings per share are therefore not different from basic earnings per share.

Note 21: Earnings per share (continued)

	Consolidated 2008 \$	Consolidated 2007 \$
(c) Reconciliation of earnings used in calculating earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(3,114,862)	(2,574,632)
Loss from discontinued operations	-	-
Loss attributable to ordinary equity holders of the Company	(3,114,862)	(2,574,632)
	Consolidated 2008 \$	Consolidated 2007 \$
(d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	60,088,299	7,166,837
	60,088,299	7,166,837

Note 22: Contingencies

There were no contingent liabilities at 30 June 2008 (2007: \$nil).

Note 23: Commitments

There were no commitments at 30 June 2008 (2007: \$nil).

Note 24: Events occurring after the balance sheet date

On 22 August 2008 the Company issued 7,599,901 new shares at 5c each, raising a total of \$379,995.05 as a result of the Company's rights issue. A further \$450,000 is due to be received in relation to the shortfall subscriptions due under the prospectus.

No other matter or circumstance has arisen since 30 June 2008 that has significantly affected, or may significantly affect:

- (a) Loop Mobile operations in future financial years, or
- (b) The results of those operations in future financial years, or
- (c) Loop Mobile's state of affairs in future financial years.

Note 25: Auditor's remuneration

During the year the following fees were paid or payable for services provided by Grant Thornton NSW.

	Consolidated 2008 \$	Consolidated 2007 \$	Parent 2008 \$	Parent 2007 \$
Audit services				
Audit and review of financial reports	50,599	47,500	50,599	47,500
Non-audit services				
IPO matters	14,000	85,000	14,000	85,000
Tax advice	-	4,100	-	4,100
Total	64,599	136,600	64,599	136,600

Note 26: Future changes in accounting standards effect

As at reporting date, there are new Australian Accounting Standards and Accounting Interpretations that have been issued or amended but are not yet effective. Management of the Company have assessed the impact of these new standards and interpretations and have determined that they will have no quantative material effect on the Company's financial report. The new standards and interpretations have not been early adopted in the preparation of the financial report at reporting date.

Note 27: Company details

The registered office of the Company is:

Suite 206
1 Katherine Street
Chatswood NSW 2067

The principal place of business is:

Suite 5, Level 1
442-446 Beaufort Street
HIGHGATE WA 6003

Directors' declaration

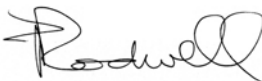
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 21 to 51, are in accordance with the Corporations Act 2001 and :
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2008 and the performance for the year ended on that date of the company and consolidated group;
2. The Chief Executive Officer and the Chief Financial Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements, and the notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Greg McCann
Chairman
27 August 2008



Ian Rodwell
Managing Director
27 August 2008