Appendix 4D

Half Year Report to the Australian Stock Exchange

Name of Entity	**Broad Investments Limited**
ABN	**91 087 813 090**
Half Year Ended	**31 December 2008**
Previous Corresponding Reporting Period	**31 December 2007**

Key information
Results for Announcement to the Market

	Current Year 31 Dec 2008 $	**Net increase /(decrease) over previous corresponding period 31 Dec 2007 $**	**Percentage increase /(decrease) over previous corresponding period 31 Dec 2007**
Revenue from ordinary activities	$3,687,172	$3,117,967	Up 547.8%
Loss from ordinary activities after tax attributable to members	($2,589,493)	($191,881)	Down 6.9%
Net loss for the period attributable to members	($2,589,493)	($191,881)	Down 6.9%

Commentary on results as disclosed above

Revenue from ordinary activities was $3,687,172, an increase of 547.8% from $569,205 in the corresponding period to 31 December 2007. The Net Loss after income tax was $2,589,493 a decrease of 6.9% compared to the previous corresponding period loss of $2,781,374. The losses to 31 December 2008 were primarily the result of realised losses on sales of equity investments, the impairment of assets, the continuing operating losses of the Group's mobile phone content business, and bad debts written off.

The increase in the turnover relative to the previous corresponding period, was a result of the acquisition of Mirrus Managed Services, the Groups provisioning and managed services business, in April 2008.

Other information

Net Tangible Asset backing (NTA)

	Current Year 31 Dec 2008	Previous Year 31 Dec 2007
Net tangible asset backing per ordinary security	0. 001 cents	0. 002 cents

Control gained / lost over controlled entities

During and since the six month period to 31 December 2008 there has not been any control gained and/or lost over controlled entities.

Dividend or distribution reinvestment plans

During and since the six month period to 31 December 2008 there has not been any dividend paid or dividend distribution reinvestment plan in operation.

Associates and joint venture entities

During and since the six month period to 31 December 2008 the economic entity has not recognised any associates or joint venture entities which require disclosure under the equity method of accounting.

Foreign entities accounting framework

Broad Investments Limited group does not contain any foreign entities and is therefore not subject to any such foreign entity accounting framework.

Attachments forming part of Appendix 4D

1. An interim financial report for the half-year ended 31 December 2008 is provided with the Appendix 4D information.
2. The interim report has been prepared in accordance with AASB 134 Interim Financial Reporting.
3. The Appendix 4D information is based on the interim financial report, which has been subject to auditor review.
4. The auditor review is provided with the interim financial report.

Vaz Hovanessian
Chairman

27 February 2009

Broad Investments Limited

ABN 91 087 813 090

and Controlled Entities

Interim Financial Report

Six Months Ended 31 December 2008

CONTENTS

CORPORATE DIRECTORY

Directors	Vaz Hovanessian – Executive Chairman Neil Gibson – Non executive Director Johannes Scholtz – Non executive Director
Company Secretary	Vaz Hovanessian – Bach. Bus., M.App.Fin., CPA., FCSA.
Registered Office	15 Whiting Street Artarmon, NSW. 2064 Postal: PO Box 126, Artarmon, NSW, 1570 Telephone: (02) 9425 0000 Facsimile: (02) 9425 0099
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross, WA. 6153 Postal: PO Box 535, Applecross, WA. 6953 Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
Auditors	WHK Horwath Sydney Level 15, 309 Kent Street Sydney, NSW, 2000
Legal Advisors	Weir & Strempel Barristers & Solicitors 50 Strathalbyn Street, East Kew, VIC. 3102
Bankers	Commonwealth Bank of Australia Ltd 120 Pitt Street SYDNEY NSW 2000
Stock Exchange Listing	The Company is listed on: Australian Securities Exchange ASX Code: BRO

DIRECTORS' REPORT

The directors present their report on the consolidated entity (referred to hereafter as "the consolidated entity" or "Group") consisting of Broad Investments Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

DIRECTORS

The names of the directors in office throughout the six months and up to the date of this report are:

Executive Chairman
Mr Vaz Hovanessian

Non-executive Directors
Mr Johannes Scholtz
Mr Neil Gibson
Mr Robin Armstrong (Resigned 28 November 2008)

PREPARATION OF INTERIM FINANCIAL REPORT

The financial statements and notes thereto have been prepared in accordance with Australian equivalents to International Financial Reporting Standards.

PRINCIPAL ACTIVITIES

The principal activities of the Group are:

(i) Provisioning services
(ii) Selling of Mobile Content and Mobile Applications Solutions (Pocket Portal) directly and via channels,
(iii) Investment in a Mining Venture with the intention of a Spin-off and,
(iv) Share trading and other share investments.

DIVIDENDS

The Directors do not recommend payment of a dividend, and no dividend has been paid during the half-year.

REVIEW AND RESULTS OF OPERATIONS

The consolidated entity recorded a loss during the half-year of $2,589,493 (2007: $2,781,374 loss). The loss was partly attributable to the realised loss on the sale of equity investments of $717,849 and the impairment of assets of $1,218,478.

DIRECTORS' REPORT (cont.)

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE
The following significant event has occurred subsequent to the end of the reporting period.

The available for sale financial assets which had a fair value of $688,199 at year end had a value of $653,686 at 19 February 2009. The available for sale financial assets are either shares in ASX listed Public Companies or non-listed companies.

AUDITOR'S DECLARATION
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 for the half-year ended 31 December 2008.

The report is signed in accordance with a resolution of the Board of Directors.

Vaz Hovanessian
Chairman

27 February 2009

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BROAD INVESTMENTS LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2008 there have been:

(a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

WHK Horwath Sydney

WHK Horwath Sydney

L Russell

Leah Russell

Dated this 27th day of February 2009

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A WHK Group Firm

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The accompanying financial statements and notes:

   a) comply with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

   b) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the half year ended on that date.

2. 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.

Vaz Hovanessian
Chairman

27 February 2009

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	Notes	31 December 2008 $	31 December 2007 $
Sales revenue		3,682,914	88,290
Net realised gain on short term investments		-	274,924
Interest income		4,258	149,364
Other operating income		-	56,627
Total revenue from continuing operations		**3,687,172**	**569,205**
Less:			
Cost of sales		(2,886,124)	(85,677)
Gross Profit		**801,048**	**483,528**
Employee benefits expense		(303,169)	(53,339)
General & administrative expenses		(859,140)	(769,149)
Finance costs		(1,738)	(1)
Depreciation and amortisation expense		(67,667)	(11,719)
Net bad & doubtful debts		(122,500)	5,490
Impairment of current & non-current assets		(1,218,478)	(2,436,184)
Amortisation of non-current assets		(100,000)	-
Net realised loss on short term investments		(717,849)	-
Total expenses from ordinary activities		**(3,390,541)**	**(3,264,902)**
Loss before income tax expense		**(2,589,493)**	**(2,781,374)**
Income tax expense		-	-
Net (loss) attributable to members of the parent entity		**(2,589,493)**	**(2,781,374)**
Total changes in equity other than those resulting from transactions with owners as owners for profit attributable to the ordinary equity holders of the company		**(2,589,493)**	**(2,781,374)**
Earnings per share for profit attributable to the ordinary equity holders of the Company		**Cents**	**Cents**
Basic loss per share		(0.81)	(0.11)
Diluted loss per share		(0.76)	(0.11)

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

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2008

	31 December 2008 $	30 June 2008 $
ASSETS		
Current Assets		
Cash & cash equivalents	624,879	1,359,704
Trade & other receivables	536,610	752,126
Inventories	1,169,518	903,753
Financial assets available for sale	688,199	-
Financial assets at fair value through profit and loss	1,344	4,872
Total Current Assets	**3,020,550**	**3,020,455**
Non-Current Assets		
Trade and other receivables	2,970	-
Financial assets available for sale	-	1,568,543
Plant and equipment	254,070	307,784
Intangible assets	3,629,516	3,662,732
Total Non-Current Assets	**3,886,556**	**5,539,059**
TOTAL ASSETS	**6,907,106**	**8,559,514**
LIABILITIES		
Current Liabilities		
Trade and other payables	2,472,446	3,285,949
Borrowings	411,798	205,365
Provisions	26,967	8,666
Total Current Liabilities	**2,911,211**	**3,499,980**
TOTAL LIABILITIES	**2,911,211**	**3,499,980**
NET ASSETS	**3,995,895**	**5,059,534**
Equity		
Contributed equity	22,233,515	22,237,240
Financial asset revaluation reserve	1,146,000	(383,579)
Accumulated losses	(19,383,620)	(16,794,127)
TOTAL EQUITY	**3,995,895**	**5,059,534**

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	Note	Share capital - Ordinary	Reserves	Accumulated losses	Total
		$	$	$	$
Balance at 1-7-2007		17,540,339	-	(12,528,370)	5,011,969
Contributions of equity net of transaction costs	3	3,878,348	-	-	3,878,348
Revaluation increment		-	274,715	-	274,715
Loss attributable to members of parent entity		-	-	(2,781,374)	(2,781,374)
Balance at 31-12-2007		**21,418,687**	**274,715**	**(15,309,744)**	**6,383,658**
Contributions of equity net of transaction costs	3	818,553	-	-	818,553
Revaluation increment		-	(658,294)	-	(658,294)
Loss attributable to members of parent entity		-	-	(1,484,383)	(1,484,383)
Balance at 30-6-2008		**22,237,240**	**(383,579)**	**(16,794,127)**	**5,059,534**
Contributions of equity net of transaction costs	3	(3,725)	-	-	(3,725)
Revaluation & impairment increment		-	1,529,579	-	1,529,579
Loss attributable to members of parent entity		-	-	(2,589,493)	(2,589,493)
Balance at 31-12-2008		**22,233,515**	**1,146,000**	**(19,383,620)**	**3,995,895**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	31 December 2008 $	31 December 2007 $
Cash flows from operating activities		
Receipts from customers	3,902,343	1,782,120
Payments to suppliers and employees	(4,285,813)	(2,250,683)
Interest received	4,258	149,363
Interest paid	(1,738)	-
(Loss) from discontinued operations	-	(129)
Net cash provided by / (used in) operating activities	**(380,950)**	**(319,329)**
Cash flows from investing activities		
Payment for equity investments	(341,844)	(4,134,826)
Payment for physical non-current assets	(13,953)	(1,382)
Payment for other non-current assets	(2,970)	(7,134)
Proceeds from the disposal of equity investments	818,968	371,731
Payment for subsidiary net of cash acquired	(975,000)	(256,900)
Exploration expenditure	(41,784)	(50,574)
Net cash provided by / (used in) investing activities	**(556,583)**	**(4,079,085)**
Cash flows from financing activities		
Proceeds from the issue of equity securities	-	2,261,704
Capital raising costs	(3,725)	(39,356)
Proceeds from borrowings	735,000	-
Repayment of borrowings	(528,567)	-
Net cash provided by / (used in) financing activities	**202,708**	**2,222,348**
Net increase / (decrease) in cash held	**(734,825)**	**(2,176,066)**
Cash at the beginning of the financial year	1,359,704	3,925,671
Cash at end of the period	**624,879**	**1,749,605**

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Broad Investments Limited (the "Company") is a company domiciled in Australia. The interim financial report of the Company for the six months ended 31 December 2008 comprises the Company and its subsidiaries (together referred to as "the consolidated entity or Group"). The principal accounting policies adopted in the preparation of the financial report are set out below.

(a) Statement of compliance

This general purpose financial report for the interim half year reporting period ended 31 December 2008 has been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and any other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The interim financial report does not include full disclosures of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is therefore recommended that the interim financial report be read in conjunction with the Annual Financial Report as at 30 June 2008 together with any public announcements made by the Company and its controlled entities during the six months ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(b) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Broad Investments Limited complies with International Financial Reporting standards (IFRS).

These financial statements have been prepared in Australian dollars in accordance with the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(c) Going concern

Despite the current period loss, the directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements as the Group has sufficient cash or access to cash to continue to operate for the foreseeable future and expects to deliver profits in the future. Further, the Company is confident of being able to raise additional funds through any one or a combination of share placement, rights issue or debt facility for acquisitions which would enhance profitability and cash flow.

The Directors and senior management have prepared a forecast for the foreseeable future reflecting the abovementioned expectations and their effect on the Group. The achievement of the forecast is largely dependent upon the following matters, the outcomes of which are uncertain:

- The ability of the Group to achieve a reasonable return from investing its available cash and for its Mirrus division to meet their projected sales and the ability of Directors to continue to identify and secure new and complementary value adding products and services to market to our client base via the resellers/channel partner network, to ensure future growth; and

- Whilst there is sufficient cash to meet all of the needs of the Group over the foreseeable future, it is possible that any new acquisitions may require additional cash and therefore dependent on the ability of the Company to raise equity funds via share placements or rights issues to fund such acquisition to grow the Company.

In the event the outcome of the above-mentioned matters are unfavourable, the Directors believe that they have sufficient cash to for the Company to continue to meet its debts as and when they become due and payable.

In the unlikely event that most or every matter referred to above results in a negative outcome, then the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Interim Financial Report. No allowance for such circumstances has been made in the Interim Financial Report.

(d) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Company ("the parent entity") and its controlled entities ("the consolidated entity" or "the economic entity" or "the group"). The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(e) 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.

(f) Foreign Currency
Transactions in foreign currencies are translated to Australian dollars at exchange rates in effect at the date of the transactions.

Foreign currency monetary balances at year end have been translated into Australian currency at the exchange rate ruling at balance date with exchange differences brought to account in the Statement of Financial Performance as exchange gains or losses.

The functional and presentational currency of the group is Australian dollars.

(g) Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

<u>Sale of Goods</u>
The group distributes routers in the telecommunication market. Revenue from the sale of goods is recognised (net of returns, discounts and allowances) in the accounting period when control of the goods passes to the customer.

<u>Managed Services</u>
Revenue from services is recognised in the accounting period in which the services are rendered.

<u>Asset sales</u>
The gain arising on sales of non-current assets are included as revenue from the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

<u>Interest revenue</u>
Interest income is recognised as it accrues.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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

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

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

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

(i) Goods and services tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, 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 GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(j) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(q)). If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(k) Impairment of assets

The carrying amounts of the consolidated entity's assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each annual balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(k) Impairment of assets (cont.)
Calculation of recoverable amount
The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset is greater than its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. The decrement in the carrying amount is recognised as an expense in the reporting period in which the impairment loss occurs.

(l) Cash and cash equivalents
Cash and cash equivalents include cash on hand, cash at bank and call deposits for the purposes of the statement of cash flows. Net cash includes cash on hand, at bank and short-term deposits at call, net of bank overdrafts.

(m) Trade receivables
Trade receivables are recognised at fair value. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of future cash flows.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(n) Inventories
Inventories are measured at the lower of cost and net realisable value. The cost comprises direct material costs.

(o) Plant and equipment
Owned assets
Items of plant and equipment are stated at cost less accumulated depreciation and impairment in value.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(o) Plant and equipment (cont.)
Depreciation
Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item of plant and equipment. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

Generally, the depreciation rates used are:

	2008	2007
Furniture and fittings	7.5%	7.5%
Office equipment	15%	15%
Computer equipment	25%	25%

The residual value, if not insignificant, is reassessed annually to ensure that it is not in excess of the recoverable amount of the asset. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(p) Leased Assets
Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement.

(q) Intangible assets
Goodwill
All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Following initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested annually for impairment or more frequently if indicators of impairment exist.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(q) Intangible assets (cont.)

Customer contracts

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which are currently 5 years.

Exploration expenditure

Exploration costs related to an area of interest are written off as incurred except they may be carried forward as an item in the balance sheet where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised costs include costs directly related to exploration activities in the relevant area of interest. General and administrative costs are allocated to an exploration asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the asset relates.

Capitalised exploration expenditure is written off where the above conditions are no longer satisfied.

Exploration expenditure incurred subsequent to the acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above.

All capitalised exploration expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist. Exploration assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

(r) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received prior to the end of the financial period. Trade accounts payable are normally settled within 60 days.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(s) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(t) Share based payment transactions
The fair value of equity instruments granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at invoice date.

(u) Earnings per share
Basic earnings per share (EPS) is calculated by dividing the net profit/(loss) attributable to members of the Company, excluding any costs of servicing equity (other than ordinary shares and converting notes classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company outstanding during the financial period.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(v) Employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(w) Investments and other financial assets
The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

<u>Financial assets at fair value through profit or loss</u>
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(w) Investments and other financial assets (cont.)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(w) Investments and other financial assets (cont.)
Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amounts are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment
The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in fair value of a security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(x) Interest Bearing Liabilities
Loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

(y) Contributed Equity
Ordinary shares are classified as equity. Mandatory redeemable preference shares are classified as liabilities

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 2 - SEGMENT INFORMATION

Half Year 2008	Mobile Phone Content $	Share Trading & Investments $	Exploration Mining $	Managed Services $	Unallocated $	TOTAL $
Total Segment Revenue	32,204	-	-	3,654,047	921	3,687,172
Total Segment Result	(219,652)	(1,936,327)	(36,086)	30,652	(428,080)	(2,589,493)

Half Year 2007	Mobile Phone Content $	Share Trading & Investments $	Exploration Mining $	Unallocated $	TOTAL $
Total Segment Revenue	88,303	274,924	12	205,966	569,205
Total Segment Result	(238,805)	274,924	(61,393)	(2,756,100)	(2,781,374)

NOTE 3 - EQUITY SECURITIES ISSUES

Issues of ordinary shares during the half-year	Half-year 2008 No. of Shares	Half-year 2007 No. of Shares	Half-year 2008 $	Half-year 2007 $
Opening balance at 1 July	**3,182,827,016**	**2,021,069,517**	**22,237,240**	**17,540,339**
Issue of shares in lieu of debt	-	18,813,055	-	135,454
Issue of shares for working capital	-	69,444,444	-	500,000
Issue of shares for acquisition of new business	-	300,000,000	-	1,500,000
Exercise of options	-	332,500,000	-	1,616,250
Issue of shares to directors	-	26,000,000	-	156,000
Adjustment to ordinary shares on issue following the 10 to 1 consolidation of share capital	(2,864,544,109)	-	-	-
Capital raising costs	-	-	(3,725)	(29,356)
Movements during the year	**(2,864,544,109)**	**746,757,499**	**(3,725)**	**3,878,348**
Closing balance at 31 December	**318,282,907**	**2,767,827,016**	**22,233,515**	**21,418,687**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

NOTE 4 – DISCONTINUED OPERATIONS

There were no discontinued operations during the six months ended 31 December 2008.

NOTE 5 – BUSINESS COMBINATION

There were no acquisitions in the half year ended 31 December 2008.

NOTE 6 - CONTINGENT LIABILITIES

A dispute continues with Panasonic in relation to goods previously received and the failure of Panasonic to supply in a timely manner and in accordance with an exclusive supply arrangement. The disputed amount of $185,922 has been fully expensed and is reflected in the accounts. However, uncertainty exists as to the balance that is likely to be payable, given that the Group also has a substantial claim against Panasonic for breach of agreement. It is expected that the amount eventually determined is likely to be less than the liability recorded, but in the event Panasonic prevail in the dispute, additional legal fees may be payable.

Broad Investments Ltd has guaranteed the performance of its 100% owned subsidiary Mirrus Pty Ltd, including the financial obligations of Mirrus Pty Ltd under contract, with AAPT Limited, the major customer of Mirrus Pty Ltd.

NOTE 7 - EVENTS SUBSEQUENT TO BALANCE DATE

The following significant event has occurred subsequent to the end of the reporting period.

The available for sale financial assets which had a fair value of $688,199 at year end had a value of $653,686 at 19 February 2009. The available for sale financial assets are either shares in ASX listed Public Companies or non-listed companies.

WHK Horwath

INDEPENDENT AUDITORS REVIEW REPORT
TO THE MEMBERS OF BROAD INVESTMENTS LIMITED

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Broad Investments Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for Broad Investments (the consolidated entity). The consolidated entity comprises both Broad Investments Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year

The directors of the company are responsible for the preparation and fair presentation of the half-year 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 control relevant to the preparation and fair presentation of the half-year 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Broad Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Broad Investments Limited is not in accordance with the Corporation Act 2001 including:

i. giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

ii. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of matter regarding continuation as a going concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated at Note 1(c), there is significant uncertainty whether the company will be able to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Notwithstanding the current and prior year operating losses incurred, deficit of current asset over current liabilities, the financial report has been prepared on a going concern basis as the directors are of the opinion that the company will:

- Have sufficient cash to continue to meet its liabilities as and when they fall due;
- Raise sufficient additional equity funds via share placements or rights issues to fund new acquisitions to grow the company; and
- Generate sufficient future operating cash flows to support its ongoing operations.

WHK Horwath Sydney

WHK Horwath Sydney

Russell

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Dated this 27th day of February 2009