



A.C.N. 006 222 395

55 Brady St  
South Melbourne  
Victoria 3205  
Australia

27th February 2009

## Chairman's Comments

The economic circumstance globally has seen financial markets weaken; institutions rationalize their workforce and pressure brought to bear on businesses large and small.

Indeed, it is a challenge for any business just to weather the storm when profits are disappearing, asset values are being eroded and there seems to be no short term prediction of the end of these difficult times.

It is certainly time for boardrooms and business management to put into place carefully designed strategies to safeguard the continuation of their business. Celtex Ltd and its subsidiaries are no exception.

### Capital Raise A\$10M

Celtex Ltd has signed an Agreement for the capital injection of A\$10M (Ten million Australian dollars) which will be used to retire its moderate bank debts, expand its education / media business, progress its development project in Tasmania to Development Application approval stage and to seek strategic cash flow acquisitions to supplement its yearly cash flows.

Subsequent to the signing of the Agreement mentioned above the company has received a further letter of confirmation from the various investors informing the company that the release of funds is expected shortly.

Furthermore, in preparation of the capital injection the company has appointed,

- (a) a new Education Manager for Ausmusic Ltd with significant education and commercial experience to head up the recently reconstructed media business;
- (b) a sales force with proven sales results in the music education and media sectors;
- (c) is interviewing candidates for the position of Commercial General Manager to the Celtex Ltd Group to deliver net profit positions to all our business lines.

Significantly, we expect the Company to increase in turnover over the next 12 months despite the global economic downturn.

### Impairment of assets AASB136

During the last financial year we were made aware of a situation which existed from 2004 in respect of our assets which resulted in an impairment of assets concern being raised in accordance with the accounting standard AASB 136.

I would refer you to note **3 Prior Year Error** in the body of our Half Year Accounts.

On reviewing the Company's 2008 final year accounts ASIC raised the issue of impairment of the BridgePark assets in conformity with AASB 136.

As a consequence of their analysis ASIC have asked us to write down the book value of the land to A\$1,250,000 to reflect its fair value.

When the previous directors of the Company, overseen by the previous company auditors, prepared the accounts at the time of acquisition of the BridgePark land, they included the value of the acquisition as A\$5,560,000 being the consideration of 139,000,000 shares at 4 cents per share.

In reality the true value of the shares issued at that time should have been 1 cent per share and hence valuing them at 4 cents resulted in an accounting error by the previous administration of the Company.

It should be noted that correcting this error does not invalidate the acquisition or change its market value in any way, nor does it change the number of shares, which were issued. The correction merely reflects that at the time of acquisition the fair value of BridgePark's net asset's should have been recorded as A\$908,336 not A\$5,560,000.

In practice this means that the actual consideration paid to the sellers of the BridgePark business and assets was overvalued by A\$4,651,664 for the transaction.

Since the error was made in 2004 we have been carrying a significant goodwill on our books and, at the request of the ASIC and in order to comply with AASB 136, we have agreed to write down the asset value from A\$5,560,000 to A\$1,250,000 in order to correct this anomaly. This brings the accounting processes into line with the true carrying value of the asset. This adjustment will ensure that no impairment of the BridgePark asset will exist in the future and the Company will be compliant with AASB 136.

In conclusion the directors of Celtex Ltd are working tirelessly to develop the company's various businesses and are confident that the company will deliver despite the current economic conditions a healthy profitable business for the future.

Yours sincerely



Ken Roberts  
Executive Chairman  
Celtex Ltd

## Appendix 4D

### CELTEX LIMITED AND CONTROLLED ENTITIES A.C.N. 006 222 395

#### Half Year Report Six Months Ended 31 December 2008

The following information is given to the ASX under listing rule 4.2A.3:

#### 1 Reporting Details

Celtex Limited (ABN 54 006 222 395) presents the following information for the six months period ended 31 December 2008 together with the comparative results for the six months period ended 31 December 2007.

All amounts shown are in Australian Dollars unless otherwise stated.

#### 2 Results for announcement to the market

*Extracts from this report for announcement to the market (see note 1).*

				\$A'000
<b><i>Amount and percentage change from previous corresponding period of revenue from ordinary activities</i></b>				
Revenues	Down	87%	to	70
<b><i>Amount and percentage change from previous corresponding period of profit (loss) from ordinary activities after tax attributable to members</i></b>				
Profit (loss) from ordinary activities after tax attributable to members:	Down	394%	to	(1,205)
Continuing operations				
<b><i>Amount per security and franked amount per security of final and interim dividends</i></b>				
No dividends proposed relating to the reporting period				
<b><i>The record date for determining entitlements to the dividends</i></b>				
Not applicable				
<b><i>Items recognized directly in equity:</i></b>				
Net decrease in assets revaluation reserve				Nil

Dividends (Distributions)	Amount per security \$	Franked amount per security \$
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend		
Not Applicable		

### 3 NTA Backing

Net tangible asset backing per ordinary security

Current period	Previous corresponding period
(0.37 )cents	(0.12) cents

### 4 Control gained over entities (during the period) having material effect

Name of entity (or group of entities)

Not Applicable

Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired

\$A'000

Not Applicable

Date from which such profit has been calculated

Not Applicable

Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

\$A'000

Not Applicable



### Loss of control of entities (during the period) having material effect

Name of entity (or group of entities)	Not Applicable
Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the current period to the date of loss of control	\$A'000 Not Applicable
Date to which the profit (loss) has been calculated	Not Applicable
Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	Not Applicable
Contribution to consolidated profit (loss) from ordinary activities from sale of interest leading to loss of control	Not Applicable

### Dividends

Date the dividend is payable

Not Applicable

Record date to determine entitlements to the dividend (distribution) (i.e. on the basis of proper instruments of transfer received by 5.00 pm if \*securities are not \*CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if \*securities are \*CHESS approved)

Not Applicable

### Amount per security

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	<b>Interim dividend:</b> Current year	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil

#### Amount of interim dividend on all securities

	Current period \$	Previous corresponding period \$
*Ordinary securities (each class separately)	Nil	Nil
Preference *securities (each class separately)	Nil	Nil
Other equity instruments (each class separately)	Nil	Nil
<b>Total</b>	Nil	Nil

#### Dividend Plan

**The Dividend Reinvestment Plan (DRP) is suspended until further notice**

The last date(s) for receipt of election notices for the dividend plan is

Not Applicable

#### Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':

Profit (loss) from ordinary activities before tax

Income tax on ordinary activities

**Profit (loss) from ordinary activities after tax**

**Net profit (loss)**

Adjustments

**Share of net profit (loss) of associates and joint venture entities**

Current period \$A'000	Previous corresponding period \$A'000
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil

### Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. (If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("dd/mm/yy").)

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
<b>Equity accounted associates and joint venture entities</b>				
	Nil	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	Nil	Nil
<b>Other material interests</b>				
	Nil	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	Nil	Nil

8 Celtex Limited and it's Controlled Entities are all Australian Companies.

9 There are no audit disputes or qualifications for Celtex Limited and it's Controlled Entities.

10 The half-year report for the half-year ended 31 December 2008 has been prepared in accordance with AIFRS.

Signed by Director: .....

*Ken Roberts*

Date: .....

27<sup>th</sup> FEBRUARY 2009

Print Name: .....

*KEN ROBERTS*

**CELTEX LIMITED**  
**AND CONTROLLED ENTITIES**

**A.C.N. 006 222 395**

**Half-Year Report for the Half-Year Ended  
31 December 2008**



**For the half year ended 31 December 2008**

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## Directors' Report

The directors of Celtex Limited submit herewith the financial report for the half-year ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

### Name

Ken Roberts  
Surjeet Roberts  
Lee Kum Wah

## RESULT AND DIVIDEND

For the half year ended 31 December 2008, the consolidated operating loss from continuing operations before income tax was \$1,205,962 (2007: loss \$244,158).

The directors do not recommend the payment of dividend nor has one been recommended since the end of the previous financial year.

## REVIEW OF OPERATIONS

In the opinion of the directors, the operations of the company, likely developments in the operations of the company and the expected results of those operations as known at the date of this report have been covered generally herein and in the document attached to this report.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no significant changes in the company's state of affairs since last Reporting period.

## EVENTS SUBSEQUENT TO BALANCE SHEET DATE

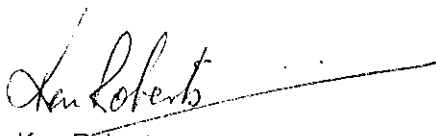
There has not been any matter of circumstance that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

## AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of the Corporations Act 2001, the Auditors have provided a signed Auditor's Independence Declaration at page 3 for 31 December 2008.

Signed in accordance with a resolution of the directors made pursuant to s.306 (3) of the Corporations Act 2001.

On behalf of the Directors

  
Ken Roberts  
Director

Melbourne, 27 February, 2009

### Auditor's Independence Declaration

As lead auditor for the review of Celtex Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'N. Burne', is written over a horizontal dotted line.

**Nicholas E. Burne**

Director

**BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd**  
Chartered Accountants

Dated this 27 day of February 2009, Melbourne

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Celtex Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Celtex Limited, which comprises the consolidated balance sheet as at 31 December 2008, the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half year ended on that date, a statement or description of accounting policies and other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Celtex Limited 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 Interim and Other Financial Reports 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 Celtex 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. 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*.

*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 Celtex Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

*Material Uncertainty Regarding Continuation as a Going Concern*

Without qualifying our conclusion, we draw attention to Note 1 Going Concern in the interim financial report which indicates that Celtex Limited incurred a net loss of \$1,205,962 during the half year ended 31 December 2008 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by \$1,327,536. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the disclosing entity's ability to continue as a going concern. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of the liabilities that might be necessary if the consolidated entity does not continue as a going concern.

A handwritten signature in dark ink that reads 'BDO Kendalls'.

**BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd**  
Chartered Accountants

A handwritten signature in dark ink, appearing to read 'Nicholas E. Burne', written over a dotted line.

**Nicholas E. Burne**  
Director

Dated this 27 day of February 2009, Melbourne

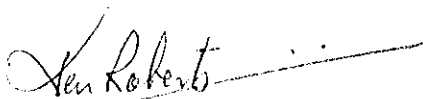
## DIRECTORS' DECLARATION

The directors declare that:

- (a) 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 opinion has been formed subject to, and in view of, the significant uncertainties outlined in Note 1 Going Concern; and
- (b) in the directors' opinion, the attached financial statements and notes there to are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the Directors



Ken Roberts  
Director

Melbourne, 27 February 2009

**Consolidated Income statement  
for the half- year ended 31 December 2008**

	Note	Consolidated	
		Half-year Ended 31 Dec 2008 \$	Half-year Ended 31 Dec 2007 \$
Revenue		68,986	541,975
Cost of goods sold		(497)	(77,401)
Gross Profit		68,489	464,574
Other income		1,650	3,387
Expenses :			
Depreciation and amortisation		(43,354)	(50,867)
Finance costs		(66,095)	(24,459)
Marketing expenses		(2,948)	(5,485)
Occupancy costs		(93,610)	(104,099)
Consultancy fees		(168,000)	(197,992)
Employee costs		(117,900)	(149,825)
Administration costs		(227,172)	(179,392)
Impairment of intangible assets		(557,022)	-
Loss before tax		(1,205,962)	(244,158)
Income tax expense		-	-
Loss after tax for the period		(1,205,962)	(244,158)
<b>Net Loss for the period</b>		<b>(1,205,962)</b>	<b>(244,158)</b>
Attributable to:			
Equity holders of the parent		(1,096,648)	(228,080)
Minority interest		(109,314)	(16,078)
		(1,205,962)	(244,158)
<b>(Loss)/Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(0.52)	(0.11)
Diluted earnings per share		(0.52)	(0.11)

Notes to the financial statements are included on pages 11 to 13



**Consolidated Balance sheet  
as at 31 December 2008**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2008</b>	<b>30 June 2008</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		45,662	118,232
Trade and other receivables		156,986	437,231
Inventories		16,466	16,528
<b>Total current assets</b>		<b>219,114</b>	<b>571,991</b>
<b>Non-current assets</b>			
Trade and other receivables		4,328	4,328
Property, plant and equipment		1,831,795	1,751,140
Intangible assets	3	-	557,021
<b>Total non-current assets</b>		<b>1,836,123</b>	<b>2,312,489</b>
<b>Total assets</b>		<b>2,055,237</b>	<b>2,884,480</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		350,921	571,718
Borrowings		1,191,170	232,097
Provisions		4,559	8,407
<b>Total current liabilities</b>		<b>1,546,650</b>	<b>812,222</b>
<b>Non-current liabilities</b>			
Trade and other payables		968,735	843,320
Borrowings		311,880	925,004
<b>Total non-current liabilities</b>		<b>1,280,615</b>	<b>1,768,324</b>
<b>Total liabilities</b>		<b>2,827,265</b>	<b>2,580,546</b>
<b>Net assets</b>		<b>(772,028)</b>	<b>303,934</b>
<b>Equity</b>			
Issued Capital	3 & 4	15,362,605	15,232,605
Asset revaluation reserve		350,000	350,000
Accumulated losses		(16,410,805)	(15,314,157)
Total parent equity interest in equity		(698,200)	268,448
Minority interest		(73,828)	35,486
<b>Total equity</b>		<b>(772,028)</b>	<b>303,934</b>

Notes to the financial statements are included on pages 11 to 13

**Consolidated Statement of Changes in Equity  
for the half-year ended 31 December 2008**

	Note	Issued capital \$	Accumulated Losses \$	Assets Revaluation reserve \$	Attributable to Equity holders of Parent \$	Minority Interest \$	Total \$
<b>31-Dec-07</b>							
Balance as at 1 July 2007		19,482,201	(13,911,247)	700,000	6,270,954	79,382	6,350,336
Prior period error	3	(4,651,664)	-	-	(4,651,664)	-	(4,651,664)
Adjusted balance at 1 July 2007		14,830,537	(13,911,247)	700,000	1,619,290	79,382	1,698,672
Issued capital during the half year period		200,000	-	-	200,000	-	200,000
Loss for the period		-	(228,080)	-	(228,080)	(16,078)	(244,158)
Balance as at 31 Dec 2007		15,030,537	(14,139,327)	700,000	1,591,210	63,304	1,654,514
<b>31-Dec-08</b>							
Balance as at 1 July 2008		19,884,269	(15,314,157)	350,000	4,920,112	35,486	4,955,598
Prior period error	3	(4,651,664)	-	-	(4,651,664)	-	(4,651,664)
Adjusted balance at 1 July 2008		15,232,605	(15,314,157)	350,000	268,448	35,486	303,934
Issued capital during the half year period		130,000	-	-	130,000	-	130,000
loss for the period		-	(1,096,648)	-	(1,096,648)	(109,314)	(1,205,962)
Balance as at 31 Dec 2008		15,362,605	(16,410,805)	350,000	(698,200)	(73,828)	(772,028)

Notes to the financial statements are included on pages 11 to 13

**Consolidated Cash Flow Statement  
for the half-year ended 31 December 2008**

	<b>Consolidated</b>	
	<b>Half -Year Ended 31 Dec 2008</b>	<b>Half-Year Ended 31 Dec 2007</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	149,231	191,661
Payments to suppliers and employees	(498,426)	(440,360)
Interest received	1,650	3,377
Payments for Interest and other finance costs	(66,095)	(24,459)
<b>Net cash (outflow) from operating activities</b>	<b>(413,640)</b>	<b>(269,781)</b>
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(1,257)	(374,969)
<b>Net cash (outflow) from investing activities</b>	<b>(1,257)</b>	<b>(374,969)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	130,000	-
Proceeds of borrowings	400,120	234,892
Repayment of borrowings	(11,695)	(259,670)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>518,425</b>	<b>(24,778)</b>
Net increase / (decrease) in cash held	103,528	(669,528)
Cash and cash equivalents at the beginning of the period	(57,866)	766,638
<b>Cash and cash equivalents at the end of the period</b>	<b>45,662</b>	<b>97,110</b>

Notes to the financial statements are included on pages 11 to 13

**Notes to the condensed consolidated financial statements**  
**For the half-year ended 31 December 2008**

**1. Significant Accounting Policies**

**Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

**Basis of preparation of half-year financial report**

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange of assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2008 annual financial report for the financial year ended 30 June 2008.

**Going Concern**

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At 31 December 2008, the consolidated entity has a working capital deficiency of \$1,327,536, net asset deficiency of \$772,028, has incurred a loss of \$1,205,962 and negative cash flows of \$413,640 for the period then ended. The majority of the deficiency in working capital is a result of classifying bank debt as current liabilities as borrowing covenants were breached at reporting date. Waivers from the bank in respect of these borrowings are yet to be obtained.

These conditions indicate a material uncertainty that may cast doubt over the consolidated entity's ability to continue as a going concern.

The directors believe the going concern basis of preparation to be appropriate primarily based upon Celtex Ltd securing additional finance. During the period ended 31 December 2008, the following measures were taken to assist Celtex in continuing as a going concern:

- The directors signed an agreement for a capital injection of AUD\$10M in exchange for a 25% - 30% equity interest in Celtex Ltd. Post year end the directors obtained a letter of confirmation further supporting the capital injection which is expected to take place within the next two weeks;
- Continued support of directors and shareholders;
- Continued support of the bank not to call in repayment of the loan;
- Continued development of the company's business units to generate positive cash flows.

The directors believe these measures will ensure Celtex Ltd is in a position to meet its debts and obligations as and when they fall due and are payable. Should Celtex not be successful in achieving the above measures, there is uncertainty as to whether the consolidated entity will be able to continue as a going concern.

**Notes to the condensed consolidated financial statements**  
**For the half-year ended 31 December 2008**

**2. Segment Information**

The consolidated entity operates predominantly within the Australian development, educational, entertainment, software and healthcare industries. The following is an analysis of the revenue and results for the period, analysed by business segment, Celtex Limited's primary basis of segmentation.

	Segment revenue		Segment result	
	Half-year ended		Half-year ended	
	31-Dec 2008 \$	31-Dec 2007 \$	31-Dec 2008 \$	31-Dec 2007 \$
Investment Company	-	-	(467,078)	(456,679)
Educational Media	68,986	335,287	(369,518)	97,287
Development Company	-	-	(7,936)	(16,474)
Pharmaceutical	-	206,688	(121,830)	131,708
Unallocated	-	-	(239,600)	-
Consolidated revenue	68,986	541,975	(1,205,962)	(244,158)
Income tax expense	-	-	-	-
Profit (loss) for the period	-	-	(1,205,962)	(244,158)

**3. Prior period error**

In the current year management has performed a review of the accounting treatment of the Bridgepark property acquisition made in 2004. From this review an error has been identified. It is the opinion of current management that the management team in place at the time of the transaction applied an incorrect share price in the determination of the consideration provided for this acquisition.

This has resulted in an overstatement of goodwill and an overstatement of issued capital.

Under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, errors are required to be corrected retrospectively and prior year comparatives restated thereby the comparatives included in this financial report will not agree to the prior period financial report.

The impacts on prior period balances are detailed below. The key impact is the reduction of goodwill. While there is a reduction in the carrying value of goodwill, management believe that the fair value of the Bridgepark asset exceeds the pre adjusted carrying amount of \$4,651,664.

Effect on the consolidated balance sheet for the year ended 30 June 2008:

	Prior Reported Balance \$	Adjustment \$	Corrected Balance \$
<i>Non-current assets</i>			
Intangible assets	5,208,685	(4,651,664)	557,021
<i>Equity</i>			
Issued capital	19,884,269	(4,651,664)	15,232,605

Effect on equity and reserves as at 1 July 2007:

<i>Equity</i>			
Issued capital	19,482,201	(4,651,664)	14,830,537

**Notes to the condensed consolidated financial statements  
For the half-year ended 31 December 2008**

**4. Issuance of Share Capital**

	Half-year ended 31 Dec 2008	Half-year ended 31 Dec 2007
	\$	\$
Opening Balance as at 1 July	15,232,605	14,830,537
1,052,632 Ordinary Shares at 19 cents each	-	200,000
1,354,167 Ordinary Shares at 9.6 cents each	130,000	-
Closing Balance as at 31 December	15,362,605	15,030,537

**5. Earning Per Share**

	Half-year ended 31 Dec 2008	Half-year ended 31 Dec 2007
<b>(Loss)/Earnings per share</b>		
Basic earnings per share	(0.52)	(0.11)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings (loss) per share	210,802,223	207,311,236
Diluted earnings per share	(0.52)	(0.11)
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings (loss) per share	210,802,223	207,311,236

**6. Subsequent Events**

There have been no significant events other than as noted under going concern which may affect either the consolidated entity's operations or results of those operations or the consolidated entity's state of affairs.

**7. Contingent Liability**

There is no contingent liability which may affect either the consolidated entity's operations or results of those operations or the consolidated entity's state of affairs.