Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	PANORAMA SYNERGY LIMITED
ABN	84 060 369 048
Financial Year Ended	30 JUNE 2010
Previous Corresponding Reporting Period	30 JUNE 2009

Results for Announcement to the Market

	$'000	**Percentage increase /(decrease) over previous corresponding period**
Revenue from ordinary activities	29	(69.79)%
Profit / (loss) from ordinary activities after tax attributable to members	(957)	47.01%
Net profit / (loss) for the period attributable to members	(957)	47.01%

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	NIL	NIL
Interim Dividend	NIL	NIL

Record date for determining entitlements to the dividends (if any)	N/A

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	**Previous corresponding period**
Net tangible asset backing per ordinary security	$0.001	$0.001

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Details of Associates and Joint Venture Entities

Name of entity		
	Current Period	Previous Period
Percentage held		
Aggregate Share of Net Profit		

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects :

EPS: ($0.0086)

Returns to shareholders including distributions and buy backs :

N/A

Significant features of operating performance :

N/A

The results of segments that are significant to an understanding of the business as a whole:

N/A

Discussion of trends in performance :

N/A

Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:

No other matter or circumstance has arisen since 30 June 2010 that has significantly affected, or may significantly affect:

(a) the entity's operations in future financial years or
(b) the results of those operations in future financial years or
(c) the entity's state of affairs in future financial year
(d) other than disclosed elsewhere in the financial accounts.

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	√	The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			

Attachments Forming Part of Appendix 4E

Attachment #	**Details**
1	Draft 2010 financial report

Signed By (Director/Company Secretary)	
Print Name	JOHN RICHARD ATHANS
Date	31 AUGUST 2010

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2010

	CONSOLIDATED	
	2010 *$*	*2009* *$*
Continuing Operations		
Finance income	8,232	17,331
Other income	20,601	-
Administrative expenses	(409,237)	(240,430)
Employee benefits expenses	(210,144)	(529,050)
Research and development expenses	(489,601)	(743,086)
Other expenses	(966)	(143,353)
Loss from continuing operations before tax	**(1,081,115)**	**(1,638,588)**
Income tax benefit	124,240	197,117
Loss from continuing operations	**(956,875)**	**(1,441,471)**
Loss from discontinued operations	-	(363,191)
Loss for the year attributable to members	**(956,875)**	**(1,804,662)**
Basic and diluted loss per share (in cents)		
- From continuing operations	(0.86)	(1.54)
- From total operations	(0.86)	(1.93)

Statement of Financial Position

AS AT 30 JUNE 2010

	CONSOLIDATED	
	2010	*2009*
	$	*$*
ASSETS		
Current Assets		
Cash and cash equivalents	152,849	323,689
Trade and other receivables	19,369	16,844
Current tax asset	124,274	223,449
Prepayments	39,250	40,322
Total Current Assets	**335,742**	**604,304**
Non-Current Assets		
Property, plant and equipment	951	1,917
Total Non-current assets	**951**	**1,917**
TOTAL ASSETS	**336,693**	**606,221**
LIABILITIES		
Current Liabilities		
Trade and other payables	148,639	132,076
Interest bearing liabilities	24,796	59,702
Other liabilities	33,156	293,100
Total Current Liabilities	**206,591**	**484,878**
TOTAL LIABILITIES	**206,591**	**484,878**
NET ASSETS	**130,102**	**121,343**
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	55,508,991	54,229,842
Equity portion of convertible notes	-	315,000
Reserves	1,485	-
Accumulated losses	(55,380,374)	(54,423,499)
TOTAL EQUITY	**130,102**	**121,343**

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2010

	CONSOLIDATED	
	2010	*2009*
	$	*$*
Cash flows from operating activities		
Receipts from customers	2,227	253,120
Payments to suppliers and employees	(1,060,104)	(1,427,093)
Interest received	8,232	17,331
Grants	20,232	-
Income tax receipt (Research & Development Rebate)	223,415	197,451
Net cash flows from/(used in) operating activities	**(805,998)**	**(959,191)**
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(5,647)
Development expenditure	-	(178,478)
Proceeds from sale of business assets	1,023	110,152
Net cash flows from/(used in) investing activities	**1,023**	**(73,973)**
Cash flows from financing activities		
Proceeds from issue of shares	791,400	-
Payments for costs relating to share issue	-	(31,138)
Proceeds from issue of convertible notes	-	350,000
Proceeds from borrowing	24,796	24,702
Repayment of borrowing	(24,702)	-
Deposits on shares yet to be issued	33,156	293,100
Deposits on shares refunded	(192,000)	-
Foreign currency revaluation	1,485	-
Net cash flows from/(used in) financing activities	**634,135**	**636,664**
Net increase/(decrease) in cash and cash equivalents	(170,840)	(396,500)
Cash and cash equivalents at beginning of period	323,689	720,189
Cash and cash equivalents at end of period	**152,849**	**323,689**

Statement Of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2010

	Issued Capital	Equity portion of convertible note	Reserves	Accumulated losses	Total
	$	$	$	$	$
CONSOLIDATED					
At 1 July 2008	52,129,072	1,396,717	-	(52,618,837)	906,952
Loss for the year	-	-	-	(1,804,662)	(1,804,662)
Issue of options	858,500	-	-	-	858,500
Conversion of convertible notes to shares	1,396,717	(1,396,717)	-	-	-
Interest liability settled through issue of shares	155,191	-	-	-	155,191
Issue of convertible notes	-	315,000	-	-	315,000
Transaction costs in relation to issue of shares	(309,638)	-	-	-	(309,638)
At 30 June 2009	**54,229,842**	**315,000**	**-**	**(54,423,499)**	**121,343**
Loss for the year	-	-	-	(956,875)	(956,875)
Foreign currency revaluation reserve	-	-	1,485	-	1,485
Issue of shares	4,800,000				4,800,000
Issue of options	11,590,000	-		-	11,590,000
Exercise of options	408,000				408,000
Conversion of convertible notes to shares	315,000	(315,000)			-
Interest liability settled through issue of shares	71,649	-		-	71,649
Transaction costs in relation to issue of shares	(4,320,000)	-		-	(4,320,000)
Transaction costs in relation to issue of options	(11,585,500)				(11,585,500)
At 30 JUNE 2010	**55,508,991**	**-**	**1,485**	**(55,380,374)**	**130,102**

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

1 CORPORATE INFORMATION

Panorama Synergy Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The company is engaged in research and development in the photonics technology sector.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (AASB's) (including Australian Interpretations adopted by the Australian Accounting Standards Board (AASB)) which include Australian equivalents to International Financial Reporting Standards (IFRS). This financial report has also been prepared on an accruals basis and is based on historical costs except where otherwise stated.

The financial report of the entity complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Going Concern

During the current financial year, the Consolidated entity incurred a net loss of $956,875, and had accumulated losses to the extent of $55,380,374.

The financial report has been prepared on a going concern basis. The management is of the opinion that the group holds sufficient liquid assets to meet the operating expenditure requirements and the minimum expenditure commitments at least for a period of 12 months from the date of authorisation of this report.

(c) New Standards and Interpretations Not Yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report:

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement.* AASB 9 will be mandatory for the Group's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Group has not yet determined the potential effect of the standard.

- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government related entities. The amendments, which will become mandatory for the Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.

- Revised AASB 2009-5. Further amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

- AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash- settled Share-based Payment Transactions, resolves diversity in practice regarding the attribution of cash-settled share-based payments between different entities within a group. The amendments, which become mandatory for the Trust's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

Adoption of new or revised accounting standards

The following standards, amendments to standards and interpretations have been adopted by the entity for the current financial year:

- AASB 101 Presentation of Financial Statements (as revised in September 2007), AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101. AASB 101(September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Panorama Synergy Limited and its subsidiaries as at 30 June each year ('the Group').

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Panorama Synergy Limited has control.

(e) Foreign Currency Translation

Both the functional and presentation currency of Panorama Synergy Limited and its subsidiaries is Australian dollars ($AUD).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences in the consolidated financial report are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

(f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Rendering of services

Revenue from the installation of software is recognised by reference to the stage of completion.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

(g) Employee Benefits Expenditure

Employee benefits such as salary and wages are measured at the rate at which the Company expects to settle the liability; and recognised during the period over which the employee services are being rendered.

(h) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Investments

Investments in subsidiaries are accounted applying the “cost” method under AASB 127.

An assessment of the impairment in investments is performed at each reporting date. Where objective evidence exists, the investments are written down through an allowance account.

(k) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 5 to 15 years

Assets classified as held for sale are not depreciated from the date of such classification.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued used of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(l) Intangible Assets

Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the ‘administrative expenses’ line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Research and development costs

Research costs are expensed as incurred.

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Any expenditure carried forward is amortised over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

A summary of the policies applied to the Group’s intangible assets is as follows:

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Intangible Assets (continued)

	Intangible asset not yet available for commercial use	***Development Costs***
Useful lives	*Indefinite*	*Finite*
Method used	*Not depreciated or revalued*	*5 years- Straight line*
Internally generated/ Acquired	*Acquired*	*Internally generated*
Impairment test / Recoverable amount testing	*Annually and where an indicator of impairment exists*	*Amortisation methods reviewed at each financial year-end; Reviewed annually for indicator of impairment*

Intangible assets classified as held for sale are not amortised from the date of such classification.

(m) Recoverable Amount of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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.

(n) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received and are subsequently measured at amortised cost.

(o) Financial Instruments Issued by the Company

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Transaction costs arising on the issue of equity instruments, net of associated tax, are recognised directly in equity as a reduction of the proceeds of the equity instrument to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Convertible notes

The convertible notes are a compound financial instrument with separate liability and equity components identified on initial recognition. Transaction costs are deducted against the liability component of the compound financial instrument at amortised cost using the effective interest rate method.

The debt component of the convertible note is measured at amortised cost and therefore increases as the present value of the interest coupon payments and redemption amount increases, with a corresponding charge to finance cost (accretion expense). The debt component decreases by the cash interest coupon payments made.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instrument or component parts of compound instruments.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Financial Instruments

The entity's non-derivative financial instruments comprise of cash and cash equivalents, trade and other receivables, trade and other payables, and the debt component of convertible notes.

Financial instruments are recognised when the entity becomes party to the contractual provisions of the instrument. The derecognition of a financial instrument takes place when the entity no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(s) Income Taxes

Income tax on the income statement comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Current tax liability is recognised to the extent unpaid income taxes for the current and prior periods. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. Current tax asset is also recognised for the amount receivable from the tax office under the research and development expenditure rebates.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(t) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Other Taxes (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(u) Segment Reporting

Segment results, assets, and liabilities comprise of amounts directly attributable to the segment, and those which could be reasonably allocated to those segments.

The performance and the position of each segment have been assessed applying the same accounting policies as applicable to the whole entity.

The entity's primary reporting format is business segment.

The entity operates in one geographic segment, being Australia.

(v) Share Based Payments

The cost of equity-settled transactions with employees / consultants / suppliers is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Binomial Tree and Black –Scholes models, taking into account the terms and conditions upon which options were granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Panorama Synergy Limited ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees / consultants / suppliers become fully entitled to the equity instrument ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of equity instrument that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for equity instrument that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the equity instrument is recognised immediately. However, if a new equity instrument is substituted for the cancelled equity instrument and designated as a replacement equity instrument on the date that it is granted, the cancelled and new equity instrument are treated as if they were a modification of the original equity instrument, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(w) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate business segment. The results of discontinued operations are presented separately on the face of the income statement. The comparatives for the prior year have been restated to conform to the current year's presentation.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction and available for immediate sale in its present condition and its sale must be highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell at each reporting date until disposal. They are not depreciated or amortised. A gain or loss not previously recognised by the date of the sale is recognised at derecognition.

Non-current assets are not depreciated or amortised from the date of such classification.