E-com Multi Limited

ABN: 69 008 877 745

PRELIMINARY FINAL REPORT
Year Ended 30 June 2010

Appendix 4E

(Previous corresponding period: Year ended 30 June 2009)

E-com Multi Ltd
ABN 69 008 877 745

Results for Announcement to the Market
for the year ended 30 June 2010

Name of entity

E-COM MULTI LIMITED

ACN

008 877 745

				$A'000
Revenues from ordinary activities	Up	19%	to	517
Profit /(loss) from ordinary activities after tax attributable to members	Up	4,133%	to	(1,778)
Net profit/(loss) for the period attributable to members	Up	4,133%	to	(1,778)

Dividends	Amount per security	Franked amount per security
Final dividend	Nil ¢	Nil ¢
Previous corresponding period	Nil ¢	Nil ¢

NTA Backing	Current Year	Previous Year
Net tangible asset-backing per ordinary share (cents)	0.074	0.051

Record date for determining entitlements to the dividend:	Not Applicable
The annual meeting will be held as follows:	
Place	To be advised
Date	To be advised
Time	To be advised
Approximate date the annual report will be available	To be advised

E-COM MULTI LIMITED

COMMENTARY ON 2009/10 RESULTS

The loss of the consolidated entity after providing for income tax amounted to $1,778,335 (2009: $42,347).

The Company focused its business on buying and installing office technology and related equipment for the year ended 30 June 2010. Also, throughout the financial year it conducted due diligence on potential acquisition opportunities. The Company continues to hold the Intellectual Property to its Internet based e-commerce and auction platform and associated technology.

In recent months the Company has announced that it is seeking opportunities in the resources area and just recently has embarked on a fund raising which will enable it to acquire an Option over a significant minerals resource asset which will eventually see the Company change course towards minerals resource based activities.

Compliance statement

1. This report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

2. This report and the financial statements upon which the report is based use the same accounting policies.

3. This report gives a true and fair view of the matters disclosed

4. This report is based on the financial statements which are in the process of being audited.

Date: 31 August 2010

Vaz Hovanessian (Executive Director)

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E-com Multi Ltd
ABN 69 008 877 745

DIRECTORS' REPORT

The Directors present their report together with the financial report of E-com Multi Limited ("E-com Multi" or "the Company") for the year ended 30 June 2010 and the auditors' report thereon.

Principal Activity

The Company focused its business on buying and installing office technology and related equipment for the year ended 30 June 2010. Also, throughout the financial year it conducted due diligence on potential acquisition opportunities. The Company continues to hold the Intellectual Property to its Internet based e-commerce and auction platform and associated technology, which it hopes to develop further and exploit at a suitable time.

In recent months the Company has announced that it is seeking opportunities in the resources area and just recently has embarked on a fund raising which will enable it to acquire an Option over a significant minerals resource asset which will eventually see the Company change course towards minerals resource based activities.

Review and Results of Operations

Revenue from ordinary activities increased by 19% on the previous financial year to $517,373 (2009: $433,867).

The net loss of the Company after providing for income tax amounted to $1,778,335 (2009: $42,347). The increase in the loss was due to the following factors:

- (i) A $500,000 break fee;
- (ii) A one-off increase of $839,705 for Directors Fees due to issue of 95M Options;
- (iii) An increase of $92,000 for consultant fees; and
- (iv) An increase of $57,291 for travel expenses

Much of the above increase has been a result of increased activity by Directors in seeking opportunities and funding for acquisitions.

Significant Changes in the State of Affairs

(i) Acquisitions and disposals
During the financial year no acquisitions or disposals were made.

(ii) Changes to Capital
Up to the end of 30 June 2010 share issues were made as detailed below.

	2010		2009	
Ordinary shares	**No.**	**$**	**No.**	**$**
Issue of Shares in 2009:				
Shares issued in lieu of repayment of debt	-	-	224,000,000	1,120,000
ASX Quotation fees	-	-		(4,450)
Issue of Shares in 2010:				
Shares issued for fundraising or in lieu of repayment of debt and creditors	1,216,000,000	2,432,000	-	-
Share placement / ASX Quotation fees	-	(193,865)	-	-
Total number of Shares issued	**1,216,000,000**	**2,238,135**	**224,000,000**	**1,115,550**

DIRECTORS' REPORT (cont.)

Share Options

842,308,085 options to subscribe for ordinary fully paid shares were outstanding as at the date of this report. The options expiry date and exercise price is:

Number of Options	Exercise Price	Expiry Date
247,308,085	$0.002	28 February 2011
595,000,000	$0.002	2 February 2013

Dividends

Since the end of the previous financial year, no dividend has been paid or declared by the Company.

Significant Events Subsequent to Balance Date

The Company announced the entering of an agreement on 16 August, 2010 with RM Corporate Finance Pty Limited for the Placement of 140 Million shares at $0.008 to raise $1.12M. This Placement is still in progress and expected to be concluded shortly.

The Company sold its investment in ABM Resources NL for $321,140.

Likely Developments and Future Results

The Company will continue to seek and negotiate worthwhile acquisitions and in particular in the minerals resources area to facilitate growth of the Company and to add value for shareholders.

The Directors have not included any further information on the likely developments or expected results of those operations of the Company as they are uncertain and there are reasonable grounds to believe that such information would prejudice the interests of the Company if such information was included.

Environmental Regulation Performance

There are no significant environmental regulations which apply to the Company.

Directors

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

Executive Chairman
I Kins — Appointed 30 November 2009

Executive Director
V Hovanessian

Non-executive Directors
E Dimitrov
N Ellis — Resigned 30 November 2009

DIRECTORS' REPORT (cont.)

Directors (cont.)

The qualifications, experience and responsibilities of each of the current Directors are as follows:

Name and qualifications	Experience and special responsibilities
Imants Kins	Executive Chairman (appointed 30 November 2009). Mr Kins is an Economist with over 25 years experience specialising in the resource sector. He has a Bachelor of Economics from the University of WA and a Master of Arts (Future studies) degree from the Curtin University of Technology. Mr Kins has worked in State Government (including industrial and resource development) and the private sector. Since 1987 he has mainly worked in the private sector as a consultant to the resource sector undertaking projects with exploration and mining companies, investors and brokers. In this regard he has undertaken consulting work with Australasian Gold Mines, Tantalum Australia NL and Gindalbie Resources. *Other current directorships* Director of ABM Resources NL (appointed October 2005).
Vaz Hovanessian B.Bus., M.App.Fin, CPA, FCSA	Executive Director and Company Secretary. Over 28 years' experience in corporate and financial services and public company directorships. A successful businessman, with extensive interests in property and tourism. *Other current directorships* Executive Chairman and Company Secretary of Broad Investments Limited (appointed 5 January 2004). Executive Chairman of Strathfield Group Limited (appointed 12 December 2008) *Former Directorships in the last 3 years* Entertainment Media and Telecoms Corporation Limited (appointed 16 November 2002; resigned 22 December 2006). FairStar Resources Limited (appointed 15 March 2008; resigned 18 January 2010).
Emil Dimitrov	Non-executive Director (appointed 4 May 2009). Mr Dimitrov holds a Master of Science degree and a MBA, and has over 15 years of experience in strategic and financial corporate management, including several turnarounds. He has been CEO, CFO and Executive Director of leading telecommunications, technology and financial organisations, including public companies in recent years. *Other current directorships* Nil

DIRECTORS' REPORT (cont.)

Directors' Meetings

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2010, and the numbers of meetings attended by each director were:

	Board of Directors	
	Attended	**Eligible to Attend**
I Kins	5	6
V Hovanessian	10	10
E Dimitrov	10	10
N Ellis	3	4

Remuneration Report

(i) Remuneration Policy
The Board is responsible for determining and reviewing compensation arrangements for the directors. The Board assesses the appropriateness of the nature and amount of emoluments of directors on a periodic basis by reference to relevant market conditions with the overall objective of ensuring maximum stakeholder benefit within the confines of the resources of the Company.

The Board has agreed that executive directors should receive remuneration commensurate with the risk and their endeavours in maintaining the company and to act as an incentive to maximise shareholder returns. The remuneration of non-executive Directors is governed by the constitution of the Company.

In considering the amount of the Directors' remuneration, the Board has had regard to the following results of the Company in respect of the current financial year and the previous four financial years as follows:

Year ended 30 June	2010 $	2009 $	2008 $	2007 $	2006 $
Net loss	(1,778,335)	(42,347)	(165,701)	(164,151)	(139,748)

(ii) Director Remuneration
Throughout the year, the only officers and employees of the Company were the three current directors and one former director. The two executive directors and one current non-executive director are resident in Australia, and the one former non-executive director was resident in the UK.

DIRECTORS' REPORT (cont.)

(iii) Director Remuneration (cont.)
Details of remuneration of each of the directors are as follows:

2010	Base Remuner-ation Fees $	Termin-ation Fees $	Options $	Total Remuner-ation $
Executive				
Current				
I Kins	96,250	-	176,780 (i)	273,030
V Hovanessian	132,000	-	662,925 (ii)	794,925
Former				
N Swan (iii)	-	60,000	-	60,000
Non-executive				
Current				
E Dimitrov	60,000	-	-	60,000
Former				
N Ellis (iv)	-	-	-	-
TOTAL	**288,250**	**60,000**	**839,705**	**1,187,955**

(i) Issued as 20 million options on 2 February 2010, as approved by shareholders on 19 Jan 2010
(ii) Issued as 75 million options on 2 February 2010, as approved by shareholders on 19 Jan 2010
(iii) Mr Swan resigned on 1 May 2009. Termination fees of $60,000 were paid to Mr Swan in December 2009.
(iv) Mr Ellis resigned on 30 November 2009.

2009	Base Remuneration Fees $	Total Remuneration $
Executive		
Current		
V Hovanessian	60,000	60,000
Former		
N Swan (i)	-	-
Non-executive		
Current		
E Dimitrov	-	-
Former		
N Ellis (ii)	-	-
TOTAL	**60,000**	**60,000**

All directors have only a fixed component to their remuneration – there is no proportion of director remuneration linked to performance.

DIRECTORS' REPORT (cont.)

Directors' Interests

At the date of this report, the direct or indirect interest of each Director of the Company in the issued shares of the Company and its related bodies corporate is as follows:

	Shares Held Directly	Shares Held Indirectly	Options Held Directly	Options Held Indirectly
I Kins (i)	-	1,000,000	-	20,000,000
V Hovanessian (ii)	-	215,714,040	-	75,000,000
E Dimitrov	-	-	-	-

(i) The indirect interest of Mr Kins is held through the associated company Tewal Pty Limited.
(ii) The indirect interest of Mr Hovanessian is held through the associated company Raxigi Pty Limited.

Indemnification of Officers and Auditors

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor, except as allowed under the constitution of the Company. However, the Company does have a Directors' & Officers' Insurance Policy with a $5.0M cover.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit Services

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

However, for the financial year ended at 30 June 2010 there were no amounts paid or payable to the auditor (WHK Horwath Perth) for non-audit services.

Amounts paid or payable to the auditor for audit services provided during the year are set out below.

	2010 $	2009 $
WHK Horwath Australian firm:		
- Audit and review of financial reports	17,100	14,500
Total Remuneration for Audit Services	**17,100**	**14,500**

The only auditor services provided during the year were in connection with the audit of the Company's financial statements.

This report is made in accordance with a resolution of the Directors and pursuant to s298 (2) of the Corporations Act 2001.

DIRECTORS' REPORT (cont.)

Auditor's Independence Declaration

This financial report is subject of an audit. A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 will be included in the final audited financial accounts to be released in due course.

Dated at Sydney, 31 August 2010
Signed for and on behalf of the Directors.

Vaz Hovanessian
Director

INCOME STATEMENT
for the year ended 30 June 2010

	Note	2010 $	2009 $
Sales Revenue	3	404,000	343,000
Total revenue from continuing operations		**404,000**	**343,000**
Less:			
Cost of sales	4	(393,500)	(333,509)
Gross Profit		**10,500**	**9,491**
Other Revenue	3	113,373	90,867
		123,873	**100,358**
Directors' fees	4	(1,187,955)	(60,000)
General & administrative expenses	4	(248,540)	(69,231)
Depreciation & administration	4	(62)	-
Finance costs	4	(2,480)	(4,110)
Break fee	4	(500,000)	-
Impairment losses of current assets	4	(52,098)	(9,364)
Expenses previously expensed written back	4	88,927	-
Total expenses from ordinary activities		**(1,902,208)**	**(142,705)**
Loss before income tax expense		**(1,778,335)**	**(42,347)**
Income Tax expense	6	-	-
Net (loss) attributable to members of the parent entity		**(1,778,335)**	**(42,347)**

Earnings per share for profit attributable to the ordinary equity holders of the company

Basic (loss) per share (cents)	8	(0.006)	(0.002)
Diluted (loss) per share (cents)	8	(0.006)	(0.002)

The Income Statement is to be read in conjunction with the notes to the financial statements.

E-com Multi Ltd
ABN 69 008 877 745

BALANCE SHEET
as at 30 June 2010

	Note	2010 $	2009 $
Current assets			
Cash and cash equivalents	9	1,589,941	1,322,704
Trade and other receivables	10	542,393	-
Financial assets available for sale	11	246,026	125
Total current assets		**2,378,360**	**1,322,829**
Non-current assets			
Receivables	10	13,529	-
Property, plant & equipment	12	3,007	-
Total non-current assets		**16,536**	**-**
Total assets		**2,394,896**	**1,322,829**
Current liabilities			
Trade and other payables	13	221,127	407,264
Borrowings	14	-	20,554
Total current liabilities		**221,127**	**427,818**
Non-current liabilities			
Borrowings	14	-	20,747
Total non-current liabilities		**-**	**20,747**
Total liabilities		**221,127**	**448,565**
Net assets / (deficit)		**2,173,769**	**874,264**
Equity			
Contributed equity	15	40,493,150	38,255,015
Reserves	16 (a)	839,705	-
Accumulated losses	16 (b)	(39,159,086)	(37,380,751)
Total equity		**2,.173,769**	**874,264**

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2010

Company

	Note	Share capital -Ordinary	Reserves	Accumulated losses	Total
		$	$	$	$
Balance at 1 July 2008		**37,139,465**	**-**	**(37,338,404)**	**(198,939)**
Contributions of equity, net of transaction costs	15	1,115,550	-	-	1,115,550
Loss for the year	16 (b)	-	-	(42,347)	(42,347)
Balance at 30 June 2009		**38,255,015**	**-**	**(37,380,751)**	**874,264**
Contributions of equity, net of transaction costs	15	2,238,135	-	-	2,238,135
Option Reserve	16 (a)	-	839,705	-	839,705
Loss for the year	16 (b)	-	-	(1,778,335)	(1,778,335)
Balance at 30 June 2010		**40,493,150**	**839,705**	**(39,159,086)**	**2,173,769**

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT
for the year ended 30 June 2010

	Note	2010 $	2009 $
Cash flows from operating activities			
Receipts from customers		404,000	343,000
Payments to suppliers		(1,643,421)	(236,697)
Interest received		113,373	90,867
Interest paid		(2,480)	(4,110)
Net cash (used in) operating activities	17	**(1,128,528)**	**193,060**
Payment for equity investments		(298,000)	-
Payment for physical non-current assets		(3,069)	-
Loans to other entities		(500,000)	-
Net cash (used in) investing activities		**(801,069)**	**-**
Cash flows from financing activities			
Proceeds from issue of shares		2,432,000	-
Capital raising costs		(193,865)	(4,450)
Proceeds of loans from related parties		1,177	6,231
Proceeds of loans from other parties		(42,478)	-
Net cash provided by financing activities		**2,196,834**	**1,781**
Net increase / (decrease) in cash held		267,237	194,841
Cash at beginning of year		1,322,704	1,127,863
Cash at end of year	9	**1,589,941**	**1,322,704**

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

NOTE	CONTENTS	

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers the economic entity of E-com Multi Limited. E-com Multi Limited is a listed public company, incorporated and domiciled in Australia.

Basis of Preparation

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

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

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

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 Company 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 going concern basis contemplates continuity of business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Revenue and other income
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 Company 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 Company'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 Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue and other income (cont.)
Revenue is recognised for the major business activities as follows:

Sale of Goods
The Company buys and installs office telephony and related equipment. 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.

Interest revenue
Interest income is recognised as it accrues.

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

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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.

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

Owned assets
Plant and equipment are measured on the cost basis.

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

Depreciation
The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Plant and equipment (cont.)
The depreciation rates used for each class of depreciable assets are:

	2010	2009
Furniture and fittings	7.5%	7.5%
Office equipment	15%	15%
Computer equipment	25%	25%

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

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

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.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

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.

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.

Financial instruments
<u>Recognition and initial measurement</u>
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Financial instruments (cont.)
Classification and subsequent measurement
Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Financial assets at fair value through profit or loss
Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

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

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

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

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.

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

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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.

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

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

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

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

Income Taxes
The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes (cont.)
Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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

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

2 – CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

3 – REVENUE

	2010	2009
	$	$
Operating activities		
Supply & Installation Income	404,000	343,000
Interest received from unrelated persons	113,373	90,867
Total revenue	**517,373**	**433,867**

4 – EXPENSES

Loss before income tax includes the following items of expense:

	2010	2009
	$	$
From continuing operations		
Expenses:		
Cost of sales	393,500	333,509
Finance costs		
Interest expense	2,480	4,110
Depreciation of:		
Plant and equipment	62	-
Impairment of assets:		
Current		
Investments	52,098	9,364
Break Fee	500,000	-
Expenses previously expensed written back	(88,927)	-

5 – AUDITORS' REMUNERATION

Remuneration of the auditor of the Company for:		
Review of the half-year financial statements	6,000	5,000
Audit of the full year financial statements	11,100	9,500
Audit of the previous year financial statements (i)	(5,000)	-
Total Auditors' Remuneration	**12,100**	**14,500**

(i) Additional fees in excess of estimated cost of the audit of the 2009 financial report.

6 – INCOME TAX

	2010	2009
	$	**$**
Income tax expense		
(a) The prima facie income tax on the result before tax is reconciled to the income tax in the financial statements as follows:		
Accounting loss before tax	(1,778,335)	(42,347)
Income tax benefit calculated at 30% (2009: 30%)	(533,501)	(12,704)
Impairment of share investments	15,629	-
Entertainment	90	-
Temporary differences in income tax	15,719	-
Income tax (benefit) adjusted for temporary differences	(517,782)	(12,704)
Temporary differences and tax losses not brought to account as future income tax benefits	517,782	12,704
Income tax attributable to entity	**-**	**-**

(b) Estimated future income tax benefit not brought to account as assets

The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not certain beyond any reasonable doubt:

	2010	2009
Tax losses – revenue	5,836,646	5,318,864
Tax losses – capital	1,965,430	1,965,430
Timing differences	94,253	94,253
Total estimated future income tax benefits	**7,896,329**	**7,378,547**

The potential future income tax benefit will only be obtained if:

(i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
(ii) the company continues to comply with the conditions for deductibility imposed by the law; and
(iii) no changes in tax legislation adversely affect the company in realising the benefit.

7 – SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company currently operates in one business segment being the office telephony and related equipment business. The financial information presented in the statement of comprehensive income and balance sheet is the same as that presented to the chief operating decision maker.

Basis of accounting for purposes of reporting by operating segments
Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors, as the chief decision maker, are in accordance with accounting policies and are consistent to those adopted in the annual financial statements of the company.

Comparative information
This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the Standard.

8 – EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculations of basic earnings per share are as follows:

	2010	2009
	$	$
Net loss after tax	(1,778,335)	(42,347)
Net loss used in calculating earnings per share	(1,778,335)	(42,347)
	No.	No.
Weighted average number of ordinary shares outstanding during the year used to calculate basic and diluted earnings per share	2,759,281,707	1,697,188,988
Basic earnings / (loss) per share (cents)	(0.006)	(0.002)
Diluted earnings / (loss) per share (cents)	(0.006)	(0.002)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

9 – CASH AND CASH EQUIVALENTS

	2010	2009
	$	$
Cash at bank	102,413	19,950
Cash held by third party on behalf of the Company (i)	1,487,528	1,302,754
	1,589,941	**1,322,704**

(i) The cash is held on deposit by Quikfund Limited which is managed by Quikfund (Australia) Pty Ltd and is earning interest at commercial rates.

10 – TRADE AND OTHER RECEIVABLES

Current		
Other debtors	500,580	-
Other debtors - GST	41,813	-
	542,393	**-**
Non-current		
Other debtors	**13,529**	-

(a) Impaired trade receivables
As at 30 June 2010 no current receivables of the Group were impaired (2009 - Nil).

(b) Past due but not impaired
As of 30 June 2010, no trade receivables (2009 - Nil) were past due.

The ageing of the current receivables is as follows:

1 to 3 months	505,446	-
Over 3 months	36,947	-
	542,393	**-**

(c) Other receivables
These amounts generally arise from transactions outside the usual operating activities of the Group.

(d) Foreign exchange and interest rate risk
The Group has no receivables in foreign currencies. Interest rate risk in relation to receivables is provided in note 18.

(e) Fair value and credit risk
Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 18 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

11 – INVESTMENTS

	2010	2009
	$	$
Financial assets available for sale		
Shares in quoted entities	962,473	664,473
Less: Allowance for diminution in value	(716,447)	(664,348)
	246,026	**125**
Movements during the year		
Balance at beginning of year	125	9,489
Additions	298,000	(9,364)
Provision for impairment	(52,099)	(9,364)
Balance at end of year	**246,026**	**125**

Impairment and risk exposure
The maximum exposure to credit risk at the reporting date is the fair value classified as available-for-sale.

Available-for-sale financial assets are largely denominated in Australian currency. For an analysis of the sensitivity of available-for-sale financial assets to price and interest rate risk refer to note 18.

12 – PLANT AND EQUIPMENT

Plant & equipment		
At cost	3,069	-
Accumulated depreciation	(62)	-
Total plant & equipment at net written down value	**3,007**	**-**
Reconciliations		
Plant & equipment		
Carrying amount at beginning of year	-	-
Additions	3,069	-
Depreciation	(62)	-
Carrying amount at end of year	**3,007**	**-**

13 – TRADE AND OTHER PAYABLES

Trade creditors	30,127	84,207
Sundry creditors and accrued expenses	191,000	323,057
	221,127	**407,264**

14 – BORROWINGS

Current		
Other loans	-	20,554
Non-current		
Directors' loans	-	20,747

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

15 – CONTRIBUTED EQUITY

	2010	2009
2,935,895,837 (2009: 1,719,895,837) fully paid ordinary shares	40,493,150	38,255,015

Ordinary shares	2010		2009	
	No.	$	No.	$
Movements during the year				
Balance at beginning of financial year	1,719,895,837	38,255,015	1,495,895,837	37,139,465
Issue of shares:				
- 06/08/2008 shares @ $0.005 each (i)	-	-	224,000,000	1,120,000
- 16/12/2009 shares @ $0.002 each	255,000,000	510,000	-	-
- 03/02/2010 shares @ $0.002 each	961,000,000	1,922,000	-	-
Share placement fees	-	(193,865)	-	(4,450)
Total entity movements during the year	**1,216,000,000**	**2,238,135**	**224,000,000**	**1,115,550**
Balance for entity at end of financial year	**2,935,895,837**	**40,493,150**	**1,719,895,837**	**38,255,015**

(i) The issue of 224 million ordinary shares during the year was in exchange for the settlement of the loan of $1,120,000 from Heera Holdings Ltd.

Additional Issue
Since the end of the Financial Year no shares have been issued.

Ordinary Shares
Fully paid ordinary shares carry one vote per share and the right to dividends.

Share Options
842,308,085 options to subscribe for ordinary fully paid shares were outstanding at balance date.

Set out below is a summary of the movements in options outstanding during the year:

Grant date	Expiry date	Exercise price	Balance at start of the year	Issued during the year	Balance at end of the year
		$	Number	Number	Number
28 February 2008	28 February 2011	$0.002	247,308,085	-	247,308,085
2 February 2010	2 February 2013	$0.002	-	595,000,000	595,000,000
Weighted average exercise price			$0.002	$0.002	$0.002
Total			**247,308,085**	**595,000,000**	**842,308,085**

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.03 years (2009 – 1.67 years)

Additional Issue
Since the end of the financial year no options have been issued.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

15 – CONTRIBUTED EQUITY (cont.)

Shares and Options are issued at the discretion of the Directors.

(i) Capital risk management
The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Chief executive of the Company monitors capital in coordination with directors.

16 – RESERVES & ACCUMULATED LOSSES

(a) Reserves

	2010 $	2009 $
Options reserve (i)	839,705	-

(i) Arising out of valuation of options issued to directors or their nominees in accordance with shareholder approval on 19 January 2010.

	2010 $	2009 $
Movements		
Balance at beginning of financial year	-	-
Net movements attributed to members	839,705	-
Balance at end of financial year	**839,705**	**-**

(b) Accumulated losses

	2010 $	2009 $
Movements		
Balance at beginning of financial year	(37,380,751)	(37,338,404)
Net (loss) attributed to members	(1,778,335)	(42,347)
Balance at end of financial year	**(39,159,086)**	**(37,380,751)**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

17 – CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with loss after income tax

Loss after income tax	(1,778,335)	(42,347)
Add non-cash items:		
Directors fees issued as optiond	839,705	-
Add items classified as investing / financing activities:		
Short-term loan	500,000	-
Re-payment of borrowings	41,301	-
Depreciation & amortisation	62	-
Impairment losses on available-for-sale investments	52,099	9,364
Net cash (used in) operating activities before changes in assets and liabilities	(345,168)	(32,983)
Changes in assets and liabilities:		
(Increase) / decrease in receivables	(555,922)	497
Increase / (decrease) in payables	(227,438)	225,546
Net cash (used in) operating activities	**(1,128,528)**	**193,060**

18 – FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Company's activities expose it to variety of financial risks: market risk (including interest rate risk and price risk), creditor risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange where applicable and other price risks and aging analysis for credit risk.

The Company's financial instruments consist of deposits with banks and other parties, short and long-term equity investments, accounts receivable and payable, and loans to and from other parties. No derivative financial instruments were used by the company.

All risk management is carried out by the Executive Chairman in consultation with the Board of Directors and outside advisors.

(b) Financial Risk Exposures and Management

The risks the Company is exposed to through its financial instruments may include interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

(i) Interest Rate Risk

It is the policy of the Company to keep only a small level of cash in the main bank account. The remainder of the cash is kept either in an interest-bearing savings account with a floating interest rate or by unrelated third parties on behalf of the Company where the interest rate may be significantly higher. Cash held on behalf of the Company by unrelated third parties have earned interest at rates up to 8% per annum. The loan from a related party has incurred interest at a rate of 12% per annum. The company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

(ii) Foreign Currency Risk

A Company's investment is denominated in US dollars and as such, the Company's balance sheet can be affected significantly by movements in the A$/US$ exchange rate. The Company's policy is not to hedge its investment portfolio. The carrying value of the Company's investments at balance date was as follows:

	2010	**2009**
	$	**$**
US Dollars	109	125

(iii) Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows. Borrowings are not expected to be needed for the 2010-2011 financial year.

(iv) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There are no amounts of collateral held as security at balance date.

18 – FINANCIAL RISK MANAGEMENT (Cont.)

(iv) Credit Risk

The Company's exposure to credit risk arises primarily from its carrying on business in the telecommunications industry. Credit risk is managed on a Company basis and reviewed regularly by the executive chairman and referred to the Board. It arises from exposures to customers as well as through deposits with financial institutions. The Company is materially exposed to a substantial single customer in the telecommunications industry but to date almost all payments have been timely or ahead of schedule and the Board considers the customer as a low credit risk. The Company is not materially exposed to any overseas country.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions generally all parties are acceptable. For customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on limits set by the Executive Chairman exercising Board policy. The compliance with credit limits is regularly monitored by the accountant. Sales to customers are settled by credit terms of 30 days from date of invoice.

(v) Price Risk

The Company is exposed to price risk through its share investment in the equity of corporations, classified on the Balance Sheet and through the P & L as available for sale. The investment are in company's listed on the ASX and one company on the US NASDAQ. The prices of some of these shares fell during the 2009-2010 financial year and the company suffered a negative impact to the value of its investment accordingly.

To manage its price risk arising from investments in equity securities the Company has access to market reports on various stocks and regularly liaises with it brokers to keep abreast of market fluctuations. It considers information from various sources including financial magazines, investor reports and analysts' reports and information provided by companies.

18 – FINANCIAL RISK MANAGEMENT (Cont.)

(c) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate (Per Annum)		Fixed Interest Rate		Non-interest Bearing		TOTAL	
	2010 %	2009 %	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $
Financial assets - Current								
Cash assets	8%	8%	1,487,587	1,302,754	102,413	19,950	1,589,941	1,322,704
Trade and other receivables	-	-	-	-	542,393	-	542,393	-
Financial assets available for sale	-	-	-	-	246,026	-	246,026	-
			1,487,587	**1,302,754**	**890,832**	**19,950**	**2,378,360**	**1,322,704**
Financial liabilities - Current								
Trade and other payable			-	-	221,127	407,264	221,127	407,264
Borrowings		12%	-	20,554	-	-	-	20,554
			-	**20,554**	**221,127**	**407,264**	**221,127**	**427,818**
Financial liabilities – non-current								
Borrowings		12%	-	-	-	20,747	-	20,747
			-	**-**	**-**	**20,747**	**-**	**20,747**

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

	2010 $	2009 $
Less than 6 months	221,127	407,264

18 – FINANCIAL RISK MANAGEMENT (Cont.)

(d) Cash flow and net fair value
The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

Listed investments have been valued at the quoted market bid price at balance date.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

	2010		2009	
	Cost $	Net Fair Value $	Cost $	Net Fair Value $
Financial Assets				
Cash & cash equivalents	1,589,941	1,589,941	1,322,704	1,322,704
Trade and other current receivables	542,393	542,393	-	-
Trade and other non-current receivables	13,529	13,529	-	-
Available-for-sale financial assets at fair value	962,473	246,026	664,473	125
TOTAL	**3,108,336**	**2,391,889**	**664,473**	**1,322,829**
Financial Liabilities				
Trade and other current payables	221,127	221,127	407,264	407,264
Borrowings	-	-	41,301	41,301
TOTAL	**221,127**	**221,127**	**448,565**	**448,565**

(e) Sensitivity Analysis
The Company has performed sensitivity analysis relating to its exposure to foreign currency risk, price risk and interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

(i) Foreign Currency Risk Sensitivity Analysis
At 30 June 2010, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the US Dollar, with all other variables remaining constant is as follows:

	2010 $	2009 $
Change in Profit		
Improvement in AUD to USD by 10%	-	-
Decline in AUD to USD by 10%	-	-
Change in Equity		
Improvement in AUD to USD by 10%	12	12
Decline in AUD to USD by 10%	(12)	(12)

18 – FINANCIAL RISK MANAGEMENT (Cont.)

(e) Sensitivity Analysis (cont.)
(ii) Price Risk Sensitivity Analysis
At 30 June 2010, the effect on profit and equity as a result of changes in the price risk, with all other variables remaining constant would be as follows:

	2010 $	2009 $
Change in Profit		
Increase in Share prices by 10%	-	-
Decrease in Share prices by 10%	-	-
Change in Equity		
Increase in Share prices by 10%	24,603	12
Decrease in Share prices by 10%	(24,603)	(12)

(iii) Interest Rate Risk Sensitivity Analysis
At 30 June 2010, the effect on profit and equity as a result of changes in the interest rate risk, with all other variables remaining constant would be as follows:

Change in Profit		
Increase in variable interest rate of 1%	16,699	12,292
Decrease in variable interest rate of 1%	(16,699)	(12,292)
Change in Equity		
Increase in variable interest rate of 1%	16,699	12,292
Decrease in variable interest rate of 1%	(16,699)	(12,292)

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

19 – RELATED PARTY TRANSACTIONS

(a) Directors
The names and positions held of Company key management personnel in office at any time during the financial year are:

Key Management Person	Position
Imants Kins	Executive Chairman (appointed 30 November 2009)
Vaz Hovanessian	Executive Director and Company Secretary
Emil Dimitrov	Non-executive Director
Nick Ellis	Non-executive Director (resigned 30 November 2009)

19 – RELATED PARTY TRANSACTIONS (cont.)

(b) Shareholdings of Key Management Personnel

The number of shares held directly, indirectly or beneficially, by each director, including their personally-related entities is as follows:

2010	Balance at the start of the year	Balance at start of employment	Net changes during the Year	Balance at end of employment	Balance at the end of the year
Directors					
Imants Kins	-	1,000,000	-	-	1,000,000
Vaz Hovanessian	213,714,040	-	2,000,000	-	215,714,040
Nicholas Ellis	10,500,000	-	-	10,500,000	-
Emil Dimitrov	-	-	-	-	-

2009	Balance at the start of the year	Balance at start of employment	Net changes during the Year	Balance at end of employment	Balance at the end of the year
Directors					
Vaz Hovanessian	213,550,130	-	163,910	-	213,714,040
Nicholas Ellis	10,500,000	-	-	-	10,500,000
Emil Dimitrov	-	-	-	-	-

(c) Directors' Loans

The following loan amounts were made by directors to the Company during the year to help fund operations.

2010	Balance due at 1 July 2009 $	Loans made to the Company $	Loans repaid by the Company $	Balance due at 30 June 2010 $
Current				
Vaz Hovanessian	20,747	178,360	199,107	-

2009	Balance due at 1 July 2008 $	Loans made to the Company $	Loans repaid by the Company $	Balance due at 30 June 2009 $
Current				
Vaz Hovanessian	7,916	12,831	-	20,747
Former				
Nicholas Swan	6,600	-	6,600	-

The loans were repayable on demand. No interest was charged on the loans.

19 – RELATED PARTY TRANSACTIONS (cont.)

(d) Other transactions with directors

During the financial year E-com Multi Ltd purchased 1,041,667 shares in ABM Resources NL, a company which Imants Kins is a Director. The total cost of the purchase of these shares was $250,000. As at 30 June these shares had been impaired for $52,083.

The loss from ordinary activities before income tax includes the following items of revenue that resulted from transactions with Directors or their director-related entities:

	2010	2009
	$	$
Expense		
Rental Expense (i)	12,000	12,000
Interest Expense (ii)	1,177	2,313
Impairment losses of current assets (iii)	52,083	-

(i) Rental expense was charged by Managenet Pty Ltd, a company associated with Vaz Hovanessian, for E-com Multi's sub-tenancy of an office leased by ManageNet Pty Ltd.

(ii) Interest expense was charged by Broad Investments Limited, a company which Vaz Hovanessian is a director, on an amount Broad Investments advanced to E-com Multi to pay an outstanding debt. Interest was charged at 12%.

(iii) During the financial year E-com Multi Ltd took up a placement of 1,041,667 shares in ABM Resources NL, a company which Imants Kins is a Director. The total cost of the purchase of these shares was $250,000. Although as at 30 June 2010 these shares had been impaired by $52,083, the shares were sold as at the date of this report for $321,141, netting a profit of $71,141 for the Company.

20 - COMMITMENTS

Lease Commitments (i)

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, is as follows:		
Within one year	24,351	-
Over one year	26,397	-
Representing:		
Operating lease on premises	50,748	-

(i) E-com Multi leases an office in Perth. The lease expires on 31 July 2012.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

21 – EVENTS SUBSEQUENT TO REPORTING DATE

The Company announced the entering of an agreement on 16 August, 2010 with RM Corporate Finance Pty Limited for the Placement of 140 Million shares at $0.008 to raise $1.12M. This Placement is still in progress and expected to be concluded shortly.

The Company sold its investment in ABM Resources NL for $321,140.