



Appendix 4D  
Interim Financial Report

31 December 2009



## Appendix 4D

Interim Financial Report 31 December 2009

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Results		Change from 31 Dec 2008	31 Dec 2009 \$
Total revenue	Down	17%	14,474,008
Profit before Interest, Tax, Depreciation and Amortisation (EBITDA)	Down	82%	439,728
Net profit for the period attributable to members (NPAT)	Down	67%	147,863

Net tangible asset backing per ordinary share	31 Dec 2009	31 Dec 2008
Net tangible asset backing per ordinary share	4.6c	5c

Dividends	Amount per security	Franked amount
Interim dividend FY10	0.25c	100%
Final dividend FY09	0.50c	100%

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# CORPORATE DIRECTORY

## Directors

Mel Ashton (Chairman)  
Richard Bevan (Non – Executive Director)  
Russell Baskerville (Managing Director & CEO)

## Company Secretary

Mark Waller

## Registered Office

469 Murray Street  
PERTH WA 6000  
Telephone No: +618 9321 9401  
Fax No: +618 9321 9402

## Legal Advisers

McKenzie Moncrieff Lawyers  
Level 5, 37 St Georges Terrace  
PERTH WA 6000

## Company Number

A.C.N: 090 503 843

## Auditors

Grant Thornton Audit Pty Ltd  
Level 1,  
10 Kings Park Road  
WEST PERTH WA 6005

## Country of Incorporation

Australia

## Company Domicile and Legal Form

Empired Limited is the parent entity and an Australian Company limited by shares

## Share Register

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
Perth WA 6000

## Principal Place of Business

### Perth

469 Murray Street  
PERTH WA 6000  
Telephone No: +618 9321 9401  
Fax No: +618 9321 9402

### Melbourne

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MELBOURNE VIC 3000  
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Level 13

Septimus Roe Square  
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PERTH WA 6000  
Telephone No: +618 9223 1234  
Fax No: +618 9223 1230

**Website** [www.empired.com](http://www.empired.com)

## DIRECTORS' REPORT

The directors present their report together with the consolidated half year financial report of Empired Limited (“the Company”) and its controlled entity, for the half-year ended 31 December 2009

### Directors' Names

The names of the company's directors in office during the year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mel Ashton (Chairman)  
 Richard Bevan (Non-executive Director)  
 Russell Baskerville (Managing Director)  
 David Taylor (Non-executive Director) - resigned 31 July 2009

### Review of Results & Operations

Revenue in the business for the half-year was \$14.4M (2008: \$17.40M) representing a decrease of 17% on the same period in the preceding year.

Consolidated net profit after tax for the half-year was \$147,863

### Dividends

After balance date the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

Declared during the year 2010	Total amount
0.25 Cents Dividend fully franked. 30 <sup>th</sup> of April 2010.	\$115,556

A final fully franked dividend for the financial year ended 30 June 2009 was paid on the 14 October 2009 (note 6).

### Options

During the course of the half year share options were granted under the Company's Employee and Executive Share Option Plans. Information relating to this grant is at note 5 to the financial statements.

### Auditor's independence declaration to the directors of Empired Limited

The directors have received an Independence Declaration from Grant Thornton the auditors of Empired Limited and it is included in this Financial Report.

## **DIRECTORS' REPORT (continued)**

### **Indemnification of Officers and Directors**

The Directors, Secretary and certain former directors of Empired Limited have been indemnified by the company in respect of their potential liability to third parties

Signed in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'R. Baskerville', written in a cursive style.

Russell Baskerville  
Managing Director  
25<sup>th</sup> of February 2010

## Condensed Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	<i>Notes</i>	<i>Consolidated 6 months to 31 December 2009 \$</i>	<i>Consolidated 6 months to 31 December 2008 \$</i>
<b>Revenue</b>	2	14,474,008	17,401,950
Cost of sales		<u>(10,670,809)</u>	<u>(12,558,921)</u>
<b>Gross profit</b>		3,803,199	4,843,029
Other Income	2	15,122	170,398
Legal expenses		(46,514)	(1,232)
Marketing expenses		(67,071)	(63,536)
Occupancy expenses		(333,515)	(317,632)
Employee expenses		(2,019,851)	(2,549,742)
Finance expenses		(57,687)	(64,049)
Depreciation expenses		(145,816)	(114,668)
Other expenses	3	<u>(911,640)</u>	<u>(1,282,412)</u>
<b>Profit before income tax</b>		236,227	620,156
Income tax expense	4	(88,364)	(175,062)
<b>Profit for the period</b>		<u>147,863</u>	<u>445,094</u>
<b>Other comprehensive income</b>		-	-
<b>Other comprehensive income for the period, net of income tax</b>		-	-
<b>Total comprehensive income for the period</b>		147,863	445,094
The accompanying notes form part of this financial report.			
Earnings per share (cents per share):			
Basic earnings per share		0.32	0.96
Diluted earnings per share		0.26	0.80

# Condensed Statement of Financial Position

AS AT 31 DECEMBER 2009

		<i>Consolidated</i>	<i>Consolidated</i>
	Notes	<i>31 December 2009</i>	<i>30 June 2009</i>
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		238,914	345,423
Trade and other receivables		4,229,855	5,844,133
Inventories		349,014	616,282
Other current assets		141,691	145,936
<b>Total Current Assets</b>		<u>4,959,474</u>	<u>6,951,774</u>
<b>Non-Current Assets</b>			
Property, plant and equipment		897,684	908,414
Intangible assets	7	3,948,764	3,948,764
Deferred tax asset	4	363,572	463,239
<b>Total Non-current assets</b>		<u>5,210,020</u>	<u>5,320,417</u>
<b>TOTAL ASSETS</b>		<u>10,169,494</u>	<u>12,272,191</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		2,520,477	4,254,843
Financial liabilities		437,080	264,358
Income tax payable		38,427	81,526
Provisions		597,908	574,293
Unearned revenue		241,903	565,355
<b>Total Current Liabilities</b>		<u>3,835,795</u>	<u>5,740,375</u>
<b>Non-current Liabilities</b>			
Financial liabilities		106,526	178,563
Provisions		41,191	27,318
Deferred tax liability	4	116,066	195,917
<b>Total Non-current Liabilities</b>		<u>263,783</u>	<u>401,798</u>
<b>TOTAL LIABILITIES</b>		<u>4,099,578</u>	<u>6,142,173</u>
<b>NET ASSETS</b>		<u>6,069,916</u>	<u>6,130,018</u>
<b>EQUITY</b>			
Issued capital		2,775,982	2,775,982
Employee equity benefits reserve	5	164,765	141,618
Retained profits		3,129,169	3,212,418
<b>TOTAL EQUITY</b>		<u>6,069,916</u>	<u>6,130,018</u>

The accompanying notes form part of this financial report.



## Condensed Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	<i>Consolidated 6 months to 31 December 2009</i> \$	<i>Consolidated 6 months to 31 December 2008</i> \$
<b>Cash flows from operating activities</b>			
Receipts from customers		15,737,272	20,455,499
Payments to suppliers and employees		(15,514,565)	(17,743,507)
Borrowing costs		(57,687)	(64,049)
Income tax paid		(111,648)	-
Interest received		34,976	81,216
<b>Net cash flows (used in) from operating activities</b>		<u>88,348</u>	<u>2,729,159</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(135,085)	(310,080)
Acquisition of business acquisitions (net of cash acquired)	7	-	(260,700)
<b>Net cash flows used in investing activities</b>		<u>(135,085)</u>	<u>(570,780)</u>
<b>Cash flows from financing activities</b>			
Repayment of short term loans		(78,655)	(1,060,153)
Payment of dividends		(231,112)	(231,112)
Payment of finance lease liabilities		(117,907)	(81,866)
Proceeds from borrowings		133,918	292,995
<b>Net cash flows (used in) from financing activities</b>		<u>(293,756)</u>	<u>(1,080,136)</u>
Net increase/ decrease) in cash and cash equivalents		(340,493)	1,078,243
Cash and cash equivalents at beginning of period		345,423	149,117
<b>Cash and cash equivalents at end of period</b>		<u>4,930</u>	<u>1,227,360</u>

The accompanying notes form part of this financial report.

## Condensed Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Issued Capital \$	Retained Earnings \$	Option Reserve \$	Total Equity \$
<b>CONSOLIDATED</b>					
<b>Balance at 1 July 2008</b>		<u>2,775,982</u>	<u>3,026,675</u>	<u>98,439</u>	<u>5,901,096</u>
Total comprehensive income for the period		-	532,411	-	532,411
Cost of share-based payments		-	-	43,179	43,179
Dividends paid to equity holders	6	-	(346,668)	-	(346,668)
<b>Balance at 30 June 2009</b>		<u>2,775,982</u>	<u>3,212,418</u>	<u>141,618</u>	<u>6,130,018</u>
Total comprehensive income for the period		-	147,863	-	147,863
Cost of share-based payments		-	-	23,147	23,147
Dividends paid to equity holders	6	-	(231,112)	-	(231,112)
<b>Balance at 31 December 2009</b>		<u>2,775,982</u>	<u>3,129,169</u>	<u>164,765</u>	<u>6,069,916</u>

The accompanying notes form part of this financial report.

## Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

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### 1 BASIS OF PREPARATION OF HALF-YEAR REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2009 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Empired Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting date except for the adoption of the following new and revised Accounting Standards.

#### *Accounting Standards not Previously Applied*

##### - Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income;
- the adoption of the single income statement approach to the presentation of the Statement of Comprehensive Income; and
- other financial statements are renamed in accordance with the Standard.

##### - Operating Segments

Empired Ltd has adopted AASB 8 'Operating Segments' with effect from 1 July 2009.

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by Management. Operating results used in managing the business are gross operating results. The Company does not separate assets and liabilities in relation to its operating segment. Reconciliations of such management information to the statutory information contained in the financial report have been included. Segment information is included in this report at note 10.

The company has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer (chief operating decision maker) in assessing the performance and determining that allocation of resources.

The company is managed primarily on the basis of revenue types and service offerings of the company's operations which inherently have differing risk profiles. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

**Types of Products and Services by segment**

*Managed Services*

Managed services refers to the management of a customer's information technology requirements provided by the company based on a contract. These services are generally provided through multi-year contracts.

*Enterprise Services*

Enterprise services refers to the capability and intellectual property which the company applies to project based engagements. These services aim to optimise an organisation's processes and integrate related technology applications and platforms.

*Reporting Basis and Conventions*

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

*Key Assumptions*

Impairment

Goodwill acquired through business combinations has been allocated to the individual cash generating units for impairment testing. The recoverable amount of each of the cash generating units has been determined based on a value in use calculation. To calculate this, cash flow projections are based on financial budgets approved by senior management covering a five-year period.

The discount rate applied to cash flow projections is 10.65% (2009:12.65%) using a 2.00% growth rate (2009: 3.60%) that is the same as the average growth rate for the IT infrastructure Services market sector.

Based on the above the Directors are satisfied that goodwill and intangibles are not impaired.

**Notes to the Financial Statements (continued)**

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

**2 REVENUES**

	CONSOLIDATED 31 December 2009 \$	CONSOLIDATED 31 December 2008 \$
Sales Revenue		
Services	14,474,008	17,401,950
Other Revenue		
Interest	1,548	9,935
Management Fee	-	60,467
Other	-	10,814
Exchange gain	13,574	89,182
	15,122	170,398
	14,489,130	17,572,348

**3 EXPENSES**

Profit before income tax includes the following specific expenses:

Insurance	67,132	61,175
Travel	149,173	126,826
Administration	270,952	287,226
Other	424,383	807,185
	911,640	1,282,412

**4 INCOME TAX**

	CONSOLIDATED 31 December 2009	CONSOLIDATED 31 December 2008
<b>(a) Income tax expense</b>		
<i>The major components of income tax are:</i>		
Current income tax charge	68,547	(70,396)
Deferred income tax relating to origination and reversal of temporary differences	19,817	245,458
Income tax expense/ (benefit) reported in income statement	88,364	175,062
<b>(b) Amounts charged or credited directly to equity</b>		
Expenses relating to initial public offering	-	16,715
Income tax expense reporting in equity	-	16,715

**Notes to the Financial Statements (continued)**

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

**4 INCOME TAX (continued)****(c) Reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expenses calculated per the statutory income tax rate**

	CONSOLIDATED 31 December 2009 \$	CONSOLIDATED 31 December 2008 \$
Prima facie tax on operating profit calculated at 30%	70,868	186,047
	<u>70,868</u>	<u>186,047</u>
Add tax effect of:		
Non-deductible expenses	6,363	5,500
Entertainment	11,875	2,836
Timing differences not bought to account	(742)	(19,321)
Income tax expense / (benefit)	<u>88,364</u>	<u>175,062</u>

**(d) Recognised deferred tax assets and liabilities**

Deferred income tax balances at 31 December relate to the following:

	CONSOLIDATED 31 December 2009 \$	CONSOLIDATED 30 June 2009 \$
<i>Deferred Tax Liabilities</i>		
Invoices in dispute	(7,764)	(7,764)
Work in progress	(104,705)	(184,885)
Prepayments	(3,597)	(3,268)
Gross deferred tax liabilities	(116,066)	(195,917)
Set-off deferred tax liabilities	116,066	195,917
Net deferred tax liabilities	<u>-</u>	<u>-</u>
<i>Deferred Tax Assets</i>		
Accrued superannuation	89,854	83,199
Provision for annual leave	179,372	172,288
Provision for long service leave	12,357	8,195
Borrowing costs	3,728	4,445
Tax losses	4,402	106,481
Equity raising costs	73,859	88,631
Gross deferred tax assets	363,572	463,239
Set-off deferred tax liabilities	(116,066)	(195,917)
Net deferred tax assets	<u>247,506</u>	<u>267,322</u>

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

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### 4 INCOME TAX (continued)

#### (e) Tax consolidation

Effective 1 July 2002, for the purposes of income taxation, Empired Limited and its 100% subsidiaries formed a tax consolidated group. The head entity of the consolidated group is Empired Limited.

The head entity is responsible for tax liabilities of the group. Intra group transactions are ignored for tax purposes and there is a single return lodged on behalf of the group.

Empired Limited formally notified the Australian Taxation Office of its adoption of the tax consolidation regime upon lodgement of its 30 June 2003 consolidated tax return.

There was a tax funding agreement formalised at 30 June 2003. Under this tax funding agreement Empired Limited is responsible for the tax liabilities of the group.

### 5 RESERVES

	<b>CONSOLIDATED</b>	
	31 December 2009	30 June 2009
	\$	\$
Option reserve	164,765	141,618
	<u>164,765</u>	<u>141,618</u>
Share Options	No.	No.
<i>Movement in options on issue</i>		
Balance at beginning of period	<u>9,703,474</u>	<u>8,326,476</u>
Options exercised		
Executive options	-	-
Options expired/forfeited		
Purchaser options		(100,000)
Executive options	(1,700,000)	(1,600,000)
Employee options	(119,511)	(226,816)
Options granted		
Purchaser options	-	100,000
Executive options	3,400,000	2,250,000
Employee options	300,000	953,814
Balance at end of period	<u>11,583,963</u>	<u>9,703,474</u>

At the Annual General Meeting 3,400,000 share options were granted under the Executive Share Option Plan on shareholder approval. All Share Option Plans are documented in the 2009 Annual Report. The grant date for both the Employee and Executive options was the 26<sup>th</sup> of November 2009.

The fair value of the options granted is estimated as at the date of grant using the Black Scholes model, taking into account the terms and conditions upon which the options were granted.

**Notes to the Financial Statements (continued)**

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

**5 RESERVES (continued)**

<b>Option Pricing Model Assumptions</b>		
	<b>Employee Share Options (300,000)</b>	<b>Executive Share Options (3,400,000)</b>
<b>Option Valuation</b>	<b>Input</b>	<b>Input</b>
Fair value at grant date	\$16,800	\$159,800
Share price	\$0.135	\$0.135
Exercise price	\$0.20	\$0.30
Risk Free Rate (based on government bonds)	5.08%	5.08%
Expected volatility	83%	83%
Time (years) to expiry	3	3
Dividend Yield	5.6%	5.6%

**6 DIVIDENDS**

	<b>CONSOLIDATED 31 December 2009</b>	<b>CONSOLIDATED 30 June 2009</b>
	\$	\$
Distributions paid or provided for:		
Final franked dividend for financial year ended 30 June 2009: 0.5 cents, paid 14 October 2009 (2008:0.5 cents)	231,112	231,112
Interim franked dividend for the half-year ended 31 December 2008: 0.25 cents, paid 7 April 2009	-	115,556
	<u>231,112</u>	<u>346,668</u>
Distributions proposed:		
Interim franked dividend for the half-year ended 31 December 2009: 0.25 cents, payable 30 April 2010	115,556	

The franked dividends paid during the year were franked at the tax rate of 30%.



## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

### 7 BUSINESS COMBINATIONS

There were no businesses acquired during the current reporting period.

	CONSOLIDATED 31 December 2009 \$	CONSOLIDATED 30 June 2009 \$
Goodwill at cost	3,948,764	3,948,764
	3,948,764	3,948,764

Reconciliation of carrying amount of goodwill from Business Combinations:

Carrying amount at the beginning	3,948,764	3,827,164
Additions		
(a) AMCOM	-	24,000
(b) Quadrant Group	-	88,907
(c) Commander Australia Limited – WA ICT Business	-	8,693
	3,948,764	3,948,764

Details of the below acquisitions are documented in the 2009 Annual Report.

(a) AMCOM

In the financial year 2009, Empired acquired assigned customer contracts from AMCOM IT Services. The purchase price for this acquisition was \$24,000.

(b) Quadrant Group

The acquisition of the Quadrant group business was made on the 1 November 2007.

Empired made final payment of \$260,700 as deferred consideration for the acquisition of the group and stamp duty on the acquisition of \$88,907 during the 2009 financial year.

Total Cash Outlaid

	CONSOLIDATED 31 December 2009 \$	CONSOLIDATED 31 December 2008 \$
Payment of deferred consideration	-	260,700
Outflow/(inflow) of cash	-	260,700

## **Notes to the Financial Statements (continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

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### **7 BUSINESS COMBINATIONS (continued)**

(c) Commander Australia Limited – WA ICT Business

During the 2009 financial year the company made a review of the fair value of the net identifiable assets acquired for the Commander Australia – WA ICT Business. It was determined that the customer obligations (unearned revenue) were understate by \$7,950. Payment of stamp duty on the acquisition was also made. Further details of this acquisition can be acquired from the 2009 Annual Report.

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

### 8 CONTINGENT LIABILITIES

The company has in place bank guarantees in relation to rental premises at 256 Adelaide Terrace, Peth and 31 Queens Street, Melbourne.

	<b>CONSOLIDATED</b> <b>31 December 2009</b> <b>\$</b>	<b>CONSOLIDATED</b> <b>31 December 2008</b> <b>\$</b>
Maximum amount the bank may call	238,220	106,220

### 9 SUBSEQUENT EVENTS

The Directors have declared an interim dividend of 0.25 cents per fully paid ordinary share, fully franked and payable 30 April 2010 (note 6).

### 10 SEGMENT INFORMATION

	<b>Enterprise Services</b>		<b>Managed Services</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Revenue from external customers	9,861,265	14,611,833	4,612,743	2,790,117	14,474,008	17,401,950
Gross Profit	2,104,696	3,757,410	1,698,503	1,085,619	3,803,199	4,843,029

## DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Empired Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of performance for the half year ended on that date; and
  - (ii) complying with the disclosure requirements of Accounting Standard AASB134 Interim Financial Reporting .
  
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Russell Baskerville  
Managing Director  
25<sup>th</sup> of February 2010



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**Auditor's Independence Declaration  
To The Directors of Empired Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Empired Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

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

GRANT THORNTON AUDIT PTY LTD

J W Vibert  
Director – Audit and Assurance Services

Perth, 25 February 2010

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## **Independent Auditor's Review Report To the Members of Empired Limited**

We have reviewed the accompanying half-year financial report of Empired Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

The directors of the Group are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Empired Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance

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with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

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

**Conclusion**

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

- 1 giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- 2 complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

GRANT THORNTON AUDIT PTY LTD



J W Vibert  
Director – Audit and Assurance Services

Perth, 25 February 2010