

LIXI Limited

Financial Statement

Year Ended 30th June 2008

LIXI LIMITED
53 095 299 835

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	This Year \$	2007 \$
Revenue		481,382	305,323
Accountancy expenses		(2,943)	(4,208)
Auditor's remuneration		(2,000)	(3,328)
Other expenses		(310,819)	(287,075)
Profit for the year	2	165,620	10,712
Retained earnings at the beginning of the financial year		297,987	284,275
Profit attributable to members of the company		460,607	294,987

The accompanying notes form part of these financial statements.

LIXI LIMITED
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BALANCE SHEET
AS AT 30 JUNE 2008

	Note	This Year \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	3	477,651	310,439
TOTAL CURRENT ASSETS		<u>477,651</u>	<u>310,439</u>
TOTAL ASSETS		<u>477,651</u>	<u>310,439</u>
CURRENT LIABILITIES			
GST liabilities	4	2,513	15,452
Trade Creditors		14,531	
TOTAL CURRENT LIABILITIES		<u>17,043</u>	<u>15,452</u>
TOTAL LIABILITIES		<u>17,043</u>	<u>15,452</u>
NET ASSETS		<u>460,607</u>	<u>294,987</u>
EQUITY			
Retained earnings	5	460,607	294,987
TOTAL EQUITY		<u>460,607</u>	<u>294,987</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Retained Earnings			Total
		\$	\$	\$	\$
Profit attributable to equity shareholders		294,987			294,987
Balance at 30 June 2007		294,987	-	-	294,987
Profit attributable to equity shareholders		165,620			165,620
Balance at 30 June 2008		460,607	-	-	460,607

The accompanying notes form part of these financial statements.

LIXI LIMITED
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	This Year	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	461,506	295,443
Payments to suppliers and employees	(314,170)	(283,068)
Interest received	19,876	9,879
Net cash provided by (used in) operating activities	<u>167,212</u>	<u>22,254</u>
Net increase (decrease) in cash held	167,212	22,254
Cash at beginning of year	<u>310,439</u>	<u>288,185</u>
Cash at end of year	<u>477,651</u>	<u>310,439</u>

The accompanying notes form part of these financial statements.

LIXI LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

LIXI LIMITED is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Accounting Standards and Urgent Issues Group Consensus Views:

AASB 1020:	Accounting for Income Tax (Tax Effect Accounting)
AASB 1025:	Application of the Reporting Entity Concept and Other Amendments
AASB 1031:	Materiality
AASB 1034:	Financial Report Presentation and Disclosures
AASB 1040:	Statement of Financial Position

No other applicable Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

Cash and Cash Equivalents

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

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Comparative Figures

LIXI LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

LIXI LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	This Year	2007
	\$	\$
2 Profit		
Expenses		
Audit Fees	2,000	3,328
3 Cash and Cash Equivalents		
Current		
Cash at Bank	108,719	205,083
ING Optimiser Account	368,931	105,356
	<u>477,651</u>	<u>310,439</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank	108,719	205,083
ING Optimiser Account	368,931	105,356
	<u>477,651</u>	<u>310,439</u>
4 Tax		
Liabilities		
Current		
Provision for GST	2,513	15,452
	<u>2,513</u>	<u>15,452</u>
5 Retained Earnings		
Retained earnings at the beginning of the financial year	294,987	284,275
Net profit attributable to members of the company	165,620	10,712
Retained earnings at the end of the financial year	<u>460,607</u>	<u>294,987</u>
6 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	165,620	10,712

LIXI LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	This Year \$	2007 \$
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Increase/(decrease)	<u>1,592</u>	<u>11,542</u>
	<u>167,212</u>	<u>22,254</u>

8 Company Details

LIXI LIMITED

Suite 12,
40 Yeo Street
Neutral Bay, NSW 2089

LIXI LIMITED
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DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

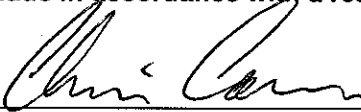
The directors of the company declare that:


1. The financial statements and notes, as set out on pages 1 to 13 are in accordance with the Corporations Act 2001;

comply with Accounting Standards as described in Note 1 to the financial statements and the
(a) Corporations Regulations 2001; and

give a true and fair view of the financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to
(b) the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: 

Director: 

Dated this day of 18th September - 2008

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LIXI LIMITED
53 095 299 835**

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for LIXI LIMITED (the company), for the year ended 30 June 2008.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit Approach

I conducted an independent audit in order to express an opinion to the members of the company. My audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report is presented fairly in accordance with the accounting policies as described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate for the needs of the members.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, my audit was not designed to provide assurance on internal controls.

Independence

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LIXI LIMITED
53 095 299 835**

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In my opinion, the financial report of LIXI LIMITED is in accordance with:

- (a) the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - (ii) complying with Accounting Standards in Australia to the extent described in Note 1 and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements to the extent described in Note 1.

Name of Firm: Meagher Howard & Wright
Certified Practising Accountants

Name of Partner: Kenneth James WRIGHT

Address: Suite 506, 55 Grafton Street BONDI JUNCTION NSW 2022

Dated this 5 day of 8 2008



LIXI LIMITED
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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	This Year	2007
	\$	\$
INCOME		
Membership Fees	103,227	293,786
Licence Fees	356,188	
Interest Received	19,876	9,879
	479,291	303,665
OTHER INCOME		
Sundry Income	2,091	1,658
	481,382	305,323
EXPENSES		
Administration	7,683	-
Accountancy	2,943	4,208
Audit Fees	2,000	3,328
Bank Charges	285	288
Consultants Fees	98,753	73,282
Conference Expenses	13,246	10,400
Gifts & Donations	688	1,141
General Expenses	933	-
Infrastructure	11,022	5,454
Insurance	2,107	2,190
Legal Costs	13,385	24,900
Licences, Registrations, Permits	-	775
Media Agency	24,430	27,503
Motor Vehicle Expenses	-	161
Office Expenses	692	507
Printing & Reproduction	-	91
Subscriptions	-	125
Technical	119,923	114,911
Telephone	4,068	370
Travelling Expenses	5,918	7,685
Web	7,686	17,292
	315,762	294,611
Profit before income tax	165,620	10,712

The accompanying notes form part of these financial statements.

