EMPIRED

EMPIRED Ltd.

ABN 81 090 503 843

ANNUAL REPORT 2008

EMPIRED

EMPIRED Ltd.

ABN 81 090 503 843

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Mark Waller
Jeremy King

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 Tce
Perth WA 6000

COMPANY NUMBER

A.C.N: 090 503 843

COUNTRY OF INCORPORATION

Australia

AUDITORS

Grant Thornton (WA) Partnership
Level 1, 10 Kings Park Road
WEST PERTH WA 6005

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 Tce
Perth WA 6000

ASX CODE: **EPD**

PRINCIPLE PLACE OF BUSINESS

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

Level 13
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Telephone No: +618 9223 1234
Fax No: +618 9223 1230

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Telephone No: +613 8610 0700
Fax No: +613 8610 0701

Adelaide
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121 King William Street
ADELAIDE SA 5000
Telephone No: +618 8423 4426
Fax No: +618 8423 4500

WEBSITE www.empired.com

CONTENTS

RESULTS

	2007	2008	Growth
Revenue	$ 7,080,596	$ 19,312,728	172%
EBITDA	$ 493,163	$ 1,183,148	140%
NPAT	$ 400,155	$ 1,295,055	224%
EPS	1.1 cents per share	3.0 cents per share	173%
Dividend Declared	-	0.5 cents per share	

HIGHLIGHTS

- Record revenue of $19.3m (up 172%), EBITDA of $1.18m (up 140%) and NPAT of $1.30m (up 224%)
- Earnings per share increased to a record 3.0 cents per share up 173% on the previous year
- A maiden full year fully franked dividend of 0.5 cents per share has been declared
- Completed capital raising and ASX listing
- Acquired and integrated Quadrant Group and Commander's WA ICT business
- Invested in our managed services business
- Positioned to compete on larger multi-year contracts
- Increased the number of long term contracted clients and level of recurring revenue
- Expanded our service offerings and developed strong relationships with leading global technology providers
- Invested in our internal systems and processes to ensure a solid platform for growth
- Expanded our executive management team

"Our capability can be defined by the services we offer, the people we employ, our experience combined with "know how" and the technologies we invest in."

CHAIRMAN & CEO REVIEW

Dear Shareholder

It is with great pleasure that we present to you our first annual report as an ASX listed company. In 2008 Empired achieved strong financial results experiencing triple digit growth. Revenue was up 172% to $19.3 million; EBITDA was up 140% to $1.18 million and net profit after tax was up 224% to $1.30 million.

Importantly the key measure of earnings per share was up 173% to 3.0 cents demonstrating tight capital and fiscal management.

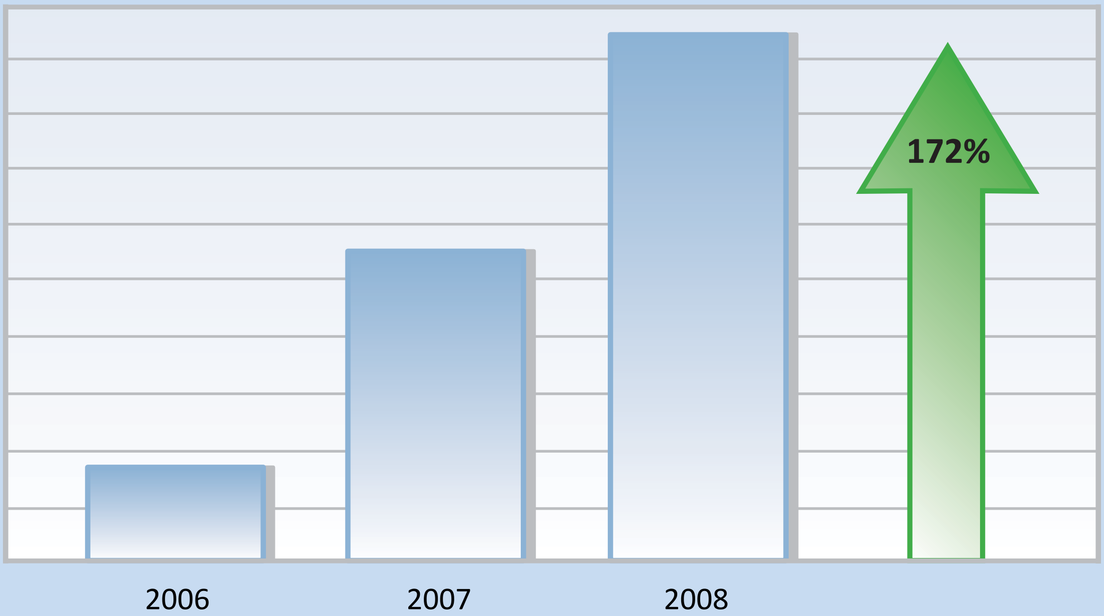
On the back of these strong results a maiden 0.5 cent per share fully franked dividend has been declared. This is a sign of the Board's comfort in the achievements to date and continued growth of Empired. Subject to Empired's continued strong performance, the Board intends to grow both the dividend payout ratio and the value of dividend payments.

This strong performance is the result of a sound strategic plan that has been diligently executed.

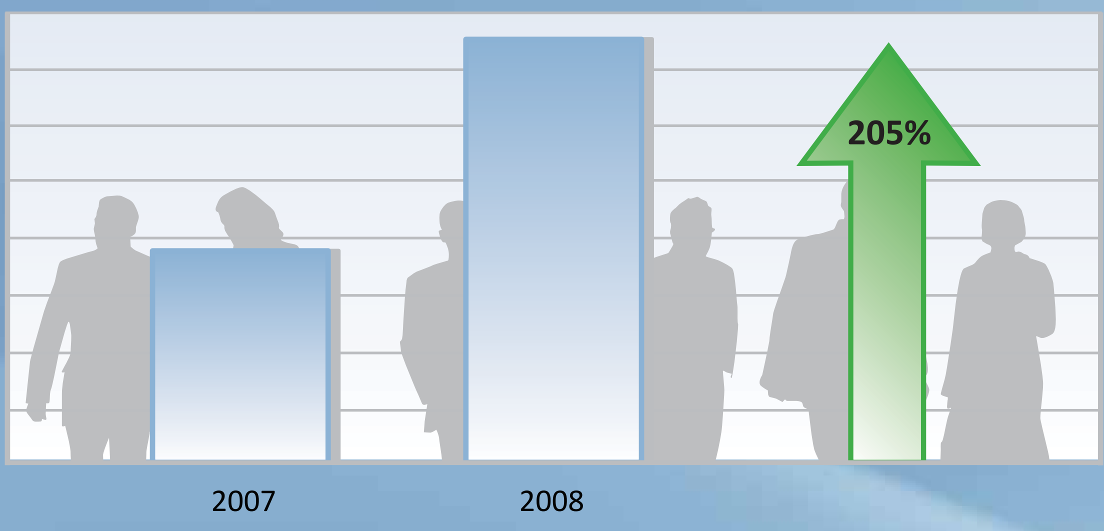
"Subject to Empired's continued strong performance the board intends to grow both the dividend payout ratio and the value of dividend payments."

CHAIRMAN & CEO REVIEW (cont'd)

Monthly Recurring Revenue



STAFF



GROWING OUR RECURRING REVENUE We outlined a plan to focus on growing our managed services business, to build a stable base of long term cumulative revenue. Our monthly recurring revenue has grown across the year over 64% whilst increasing the number of long term contracted clients.

This has allowed Empired to develop more strategic relationships with our customers. Relationships of this nature provide a seat at the table with the decision makers, resulting in a deeper understanding of our customers' businesses and their core objectives, and an ability to provide strategic advice through an inherent level of trust across the organisation.

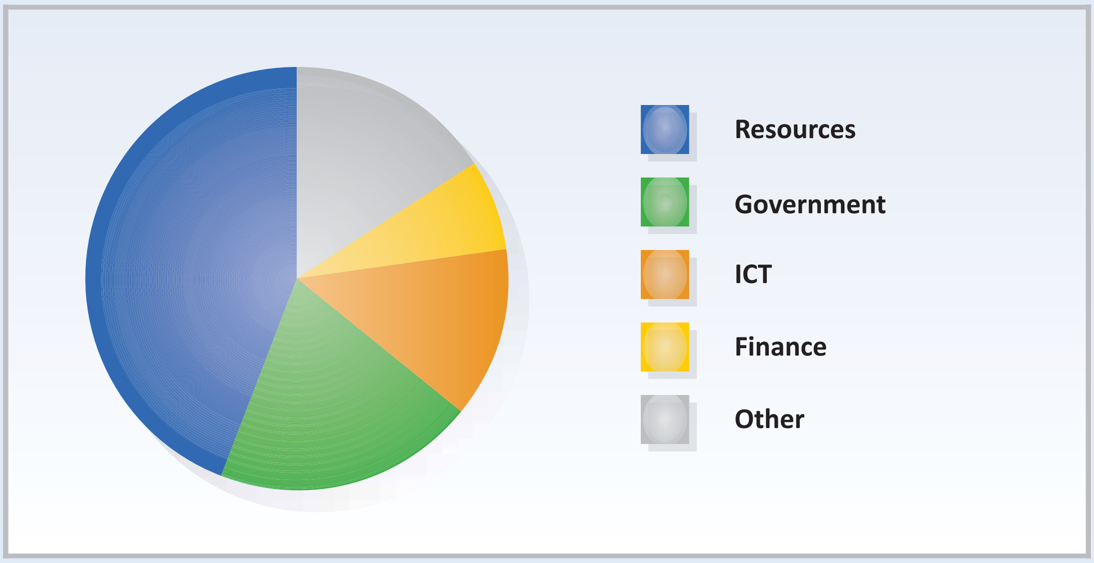
Over 33% of Empired's total revenue is now being derived from our long term contracted client base. This is a natural risk mitigation against cyclical project work and increased competition.

Investments made over the previous year to ensure competitiveness include the implementation of new leading edge technology, an increase in the scope of services offered and the continued development and evolution of our ITIL based services framework.

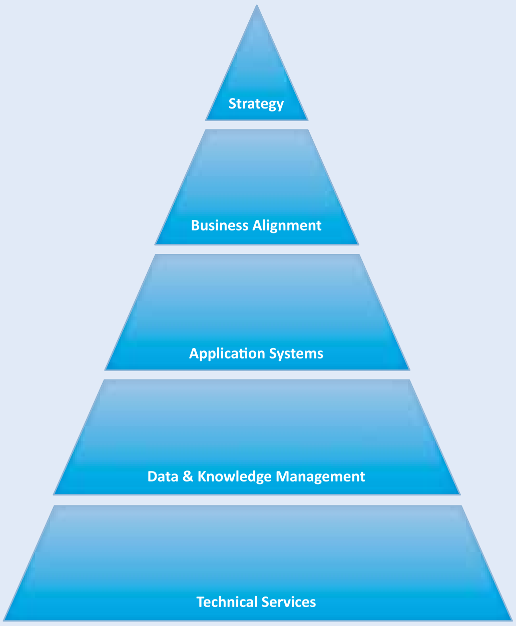
Empired's managed services sales pipeline is the strongest it has ever been and we are confident of achieving further substantial growth in the year ahead.

"Empired has developed more strategic relationships with its customers."

CHAIRMAN & CEO REVIEW (cont'd)



IT SERVICE OFFERINGS



IT SERVICE OFFERINGS	EMPIRED CORE SERVICE
IT Strategic Planning	√
IT Consulting	√
Project Management	√
Business Analysis	√
Business Process Redesign	√
Application Development & Support	√
Data Management & Migration	√
Systems Integration	√
Knowledge Management	√
Business Intelligence	√
Technical Infrastructure Services	√
Infrastructure Outsourcing	√
Recruitment & Resourcing	√

> “Part of our core strategy is to focus on larger and longer managed services contracts..”

GROWING OUR CAPABILITY Empired's capability can be defined by the services we offer, the people we employ, our experience combined with “know how” and the technologies invested in. Empired's ongoing development and commitment to capability enhancement in each of these areas has continued.

We have introduced new service offerings through the acquisition of Quadrant Group, a leading information management and consulting business specialising in the provision of IT Planning & Strategy, Business Analysis, Project Management, Change Management and Business Continuity Management.

Following this we increased the depth of our existing technical services and sales capability through the acquisition of Commander's WA Enterprise ICT business.

Empired's staffing levels grew over 105% to 154 full time equivalent employees. In line with this we continued our ongoing investment in training to ensure our consultants are among the best in our industry and equipped with the skills to ensure the highest quality services are delivered to our clients.

A strategic focus has been placed on developing business relationships and partnerships with global technology providers whilst retaining our consulting independence.

This has lead to strong relationships with world wide organisations including Microsoft, SUN Microsystems, NetApp and VMware to name a few. These relationships provide Empired with the ability to leverage capability from these large multinational organisations, provide consulting and technical services around their technology and be recognised by our customers as specialists.

DELIVERING ON ACQUISITIONS During the past nine months Empired has been very active in the acquisition and integration of complimentary IT businesses.

Acquisitions were a new area of growth for Empired. You, as a shareholder, were asked to trust our judgement and we have demonstrated our ability to identify, execute and integrate these businesses, without detriment to our existing operations and to translate these transactions into improved shareholder value.

The two transactions undertaken in the last twelve months have proven a great success and position us well for future acquisitions.

Empired's greatest asset is its people and accordingly integrating our cultures was the highest of priorities. With staff numbers more than doubling over the last twelve months regular planned communication to all staff was paramount. We communicated our vision, our business model, our challenges, our values and much more. We reiterated these key messages to all staff through a variety of medium and forums.

CHAIRMAN & CEO REVIEW (cont'd)

Today, only a few months following our latest acquisition our employees are of similar mindset, have adopted common workplace values and most importantly are working as a single team with a common vision.

Operational integration was also undertaken with common systems, processes and procedures rolled out across the entire organisation. This has ensured a consistent experience for our clients, suppliers and employees.

Our sales teams operate as one cohesive unit and are well versed in our expanded services capability and solution offerings. All of this has been communicated to our clients, both new and existing, and on the back of these initiatives we have experienced strong cross selling of these new service offerings to many of our clients.

DRIVING OPERATIONAL IMPROVEMENTS With such growth has come great change across our business. We have had to diligently plan and manage this growth to ensure operational efficiency and consistent service quality. A range of new business management tools have been implemented to ensure our efficiency and standards are maintained.

Active programs of work include improvements to our IT Systems, the introduction of new project management toolsets and increased functionality to our intranet creating a central repository for all information, collaboration and the core system to drive our business processes.

With these new tools in place we expect to not only maintain, but improve our operating margins in the year ahead.

THE ENVIRONMENT TODAY The Australian IT sector is a dynamic and growing $18 Billion market place. It employs over 50,000 staff providing critical business systems and support to Australia's leading companies.

Technology is a core component of our business and economic environment. Organisations today consider IT services spend as non-discretionary and the shift is far beyond the use of technology to drive organisational efficiency.

> "The Australian IT sector is a dynamic and growing $18 Billion market place."

These systems are vital to our customer's core business operations, embedded deep within their business processes, products and services. They are reliant on these services to provide innovation, competitive advantage, and access to new markets and revenue streams.

As we enter more uncertain times, these underlying demand drivers provide us with confidence that Empired's services will remain in high demand and that our business will continue to experience sound growth.

Whilst we are confident in our sector, we are keenly aware of the current world economic environment and more specifically the impact that this is having on the Australian economy where we have seen a tightening of credit markets and continuing interest rate pressure.

In response to this we are assured by the strength of our robust business model, targeting long term contracted recurring revenue. This model is geared toward core business infrastructure that customers are required to operate and develop for the long term. Often this expenditure is a key component of their operating budgets as opposed to capital expenditure which is traditionally more volatile in tightening market conditions.

In addition to our robust business model, Empired also boasts a sound business with a strong order book, a high level of contracted revenue, low debt levels and strong cash flow.

A BRIGHT FUTURE We are very proud of Empired's achievements over the previous year and sincerely thank all our staff. What a fantastic effort, well done!

Looking forward, we are acutely aware that there is still so much to be done, and so much to achieve!

With our core business model now proven and our business in a strong financial position we are ready to move to the next level. The sector is ripe for consolidation and market share gains, our chosen industry is in high demand and continues to grow. Our challenge is to take this opportunity and build a world class, leading Australian IT services organisation.

We are excited by this prospect, our team is excited by this prospect and we are confident that striving toward this goal will deliver strong financial results and continue to improve shareholder value.

We thank you for your support and look forward to delivering a strong result in the year ahead.

Russell Baskerville
Managing Director & Chief Executive Officer

Mel Ashton
Chairman

DIRECTOR'S REPORT

The directors present their report together with the financial report of Empired Limited ("the Company") and the consolidated financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2008.

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 stated.

"Empired's greatest asset is its people."

DIRECTORS

Name	Age	Experience and special responsibilities
Mel Ashton Chairman	50	Mel Ashton is a Chartered Accountant with over 25 years experience. For a majority of that time he has specialised in Corporate Reconstruction. Mel established his own practice in Western Australia, which has grown to be a market leader. Mel's experience covers a wide range of industries. Mel is a Fellow of the Australian Institute of Company Directors and a Fellow of the Institute of Chartered Accountants in Australia. Mel's other appointments include: Regional Councilor and former State Chairman of the WA Branch of Institute of Chartered Accountants Director and Vice President of the Fremantle Football Club Ltd Chairman of Venture Minerals Limited Chairman of Gryphon Minerals Ltd Chairman of Empire Beer Group Limited
David Taylor Non - executive Director	66	David has extensive commercial experience with a banking and marketing background. During the nineties he held positions as General Manager of the principal operating divisions of BankWest. He was also Chairman of BankWest subsidiaries TrustWest and TW Nominees during that period. He currently holds the position of Chairman of both Perth Market Authority and Forest Products Commission and is a non-executive director of BigRedSky Limited. David is a Fellow of the Australian Institute of Company Directors.
Russell Baskerville Managing Director & CEO	30	Mr Baskerville is an experienced business professional and has worked in the IT industry for in excess of 10 years. He has extensive knowledge in both the strategic growth and development of technology businesses balanced by strong commercial and corporate skills. Prior to joining Empired, Mr Baskerville was a founding member of Tusk Technologies Pty Ltd, which was acquired by the company in March 2002. He was also the founder and Managing Director of Procom Holdings Pty Ltd, a company established to provide technical service and support to merchant banking facilities on behalf of the larger banks in Australia. Mr Baskerville currently holds non-executive Directorships with Procom Holdings Pty Ltd and BigRedSky Limited.

DIRECTORS (cont'd)

Name	Age	Experience and special responsibilities
Richard Bevan Non – executive Director	42	Mr Bevan joined the board as a non-executive director on 31 January 2008 with corporate and senior management experience including various directorship's and CEO/MD roles in ASX listed and private companies.Richard brings experience in the execution and integration of mergers, acquisitions and other major corporate transactions. Previously Richard was the Managing Director and Chief Executive Officer of Lifecare Health Limited where he led the company through a successful initial public offer and ASX listing and implemented a growth strategy that involved the acquisition and integration of a number of businesses nationally. Richard has been involved in a number of businesses in areas as diverse as healthcare, construction and engineering, mining technology and information services. Richard's roles within these businesses have included operational management, implementing organic growth strategies and acquisitions and assisting with capital raisings. Richard is currently Managing Director of Cool Clear Water Group Limited, an unlisted public company which operates a national business in the water services sector. He is also a non-executive Director of e health Networks Pty Ltd which provides services in the Health care industry. Richard is a Member of the Australian Institute of Company Directors.

COMPANY SECRETARIES

Name	Age	Experience and special responsibilities
Mark Waller CFO & Company Secretary (appointed as Company Secretary 20 December 2007)	29	Mark holds a degree in business from Curtin University majoring in Accounting and Business Law. He completed his CPA studies specializing in Strategic Business Management, Financial Planning and Taxation. Mark brings experience from running his own business in London to working for Ernst & Young. Mark has responsibility for ensuring the necessary operational and financial processes and infrastructure are in place to support the strategic direction and continued growth of Empired.
Craig Ferrier Company Secretary (resigned 20 December 2007)	46	Mr Ferrier holds a Bachelor of Business and is a CPA with approximately 20 years experience gained at chief financial officer and company secretary level. He has worked within a broad range of sectors including mining and exploration, venture capital, manufacturing and information technology. He is principle of Seincorp Pty Ltd, a consultancy providing specialist company secretarial and corporate advisory services. He is also a non-executive director of ASX listed pieNETWORKS Limited.
Jeremy King (LLB) Company Secretary (appointed 20 December 2007)	34	Jeremy is a senior executive with Grange Consulting, providing general corporate, transaction and strategic advice, and managing legal issues associated with the activities undertaken by Grange's clients. Jeremy is a corporate lawyer with over 9 years experience in domestic and international legal, financial and corporate matters. He spent several years in London where he worked with Allen & Overy LLP and Debevoise & Plimpton LLP and has extensive corporate experience particularly in relation to private equity, leveraged buy-out acquisitions and acting for banks, financial institutions and corporate issuers in respect of various debt and equity capital raisings.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year is the continued operation of its IT infrastructure services business resulting in the provision of services covering software systems, consulting and infrastructure design and deployment.

The company demerged the BigRedSky operations in July 2007 leaving the IT infrastructure services business as the company's only operation.

Other than as described above there were no significant changes in the nature of the activities carried out during the year.

NUMBER OF EMPLOYEES

At 30 June 2008 the Company employed 154 staff.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs during the year.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity or in future financial years.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State Legislation.

DIVIDENDS

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

Declared and paid during the year 2008	Total amount
Final ordinary dividend for the year ended 30 June 2008 of 0.5 cents per fully paid share to be paid 31st of October 2008	$231,112

The financial effect of these dividends has not been brought to account in the financial statements for the year ended 30 June 2008 and will be recognised in subsequent financial reports.

OPERATING RESULTS FOR THE YEAR

The net profit after tax from continuing operations for the year for the consolidated entity is $1,295,055 (2007: $400,155).

LIKELY DEVELOPMENTS

Except as detailed in the Chairman and Managing Director's Review on pages 7 to 13, likely developments, future prospects and business strategies of the operations of the consolidated entity and the expected results of those operations have not been included in this report, as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the consolidated entity.

SHARE OPTIONS

Share Options Granted to Directors and Officers

Share options were granted to Directors under the Executive Share Option Plan. Information relating to this grant is at note 13 to the financial statements.

Unissued Shares

At the date of this report, there were 8,026,476 unissued ordinary shares under options. Refer to note 13 of the financial statements for more detail. Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate or in the interest issue of any other registered scheme.

Shares Issued as a result of the exercise of options

11,666 share options were exercised during the financial year.

SHARE ISSUES DURING THE YEAR

10,000,000 shares were issued during the year at $0.30 per share to raise $3,000,000.

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 attached at page 82.

NON-AUDIT SERVICES

Non-Audit services provided by the entity's Auditor can be found at note 26. The Directors are satisfied that the provision of non-audit services is compatible with the standard of independence for auditors imposed by the Corporations Act. The nature and scope of each non-audit service provided means that auditor independence was not compromised.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The company has from 19 September 2007 and since the end of the financial year, in respect of any person who has, is or has been an officer of the company or a related body corporate, paid a premium in respect of Directors and Officers Liability insurance which indemnifies Directors, Officers and the Company of any claims made against the Directors, Officers of the Company and the Company, subject to conditions contained in the insurance policy. Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of Empired Limited (the company).

Remuneration Philosophy

The performance of the company depends upon the quality of its directors and executives. To prosper, the company must attract, motivate and retain highly skilled directors and executives.

To this end, the company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value;
- Have a portion of certain executive's remuneration 'at risk', dependant upon meeting pre-determined performance benchmarks;
- Establish appropriate, demanding performances hurdles for variable executive remuneration.

Remuneration Committee

Due to the structure of the Board, a separate remuneration committee is not considered to add any efficiencies to the process of determining the levels of remuneration for the Directors and key executives. The Board considers that it is more appropriate that it set aside time at Board meetings to address matters that would normally fall to the remuneration committee.

Remuneration Structure

In accordance with the best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

A. Non-executive director remuneration

Objective
The board seeks to set aggregate remuneration at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure
The constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on the 17th of November 2006 when shareholders approved an aggregated remuneration of $175,000 per year.

The amount of aggregated remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed from time to time. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors (as defined in AASB 124 Related Party Disclosures) for the period ending 30 June 2008 is detailed in Table 1 of this report.

B. Executive remuneration

Objective
The company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the company and so as to:

- Reward executives for company, business unit and individual performances against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link rewards with the strategic goals and performance of the company; and
- Ensure total remuneration is competitive by market standards.

Structure
In determining the level of remuneration paid to senior executives of the company, the Board took into account available benchmarks and prior performance.

Remuneration consists of the following key elements:

Fixed Remuneration
Variable Remuneration
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each senior executive by the Board. Table 1 details the fixed and variable components (%) of the executive directors of the company.

Fixed Remuneration

Objective
Fixed remuneration is reviewed annually by the board. The process consists of a review of companywide, business unit and individual performance, relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. As noted above, the Committee has access to external advice independent of management.

Structure
Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the group.

The fixed remuneration component of the company executives is detailed in Table 1.

Variable Remuneration - Short Term Incentive (STI)

Objective
The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets.

Structure
Actual STI payments granted to the company executives depend on the extent to which specific operating targets set at the beginning of the financial year are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to net profit after tax, customer service, risk management, and leadership/team contribution.

Any STI payments are subject to the approval of the Remuneration Committee. Payments made are delivered as a cash bonus in the following financial year. For the 2008 financial year 50% of the STI cash bonus has been paid to executives during the 2009 financial year.

Variable Pay - Long Term Incentive (LTI)

Objective
The objective of the LTI plan is to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth.

As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance against the relevant long term performance hurdle.

Structure
LTI grants to executives are delivered in the form of options.

Table 2 provides details of options granted and the value of options granted, exercised and lapsed during the year. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at an exercise price of $0.40. For further details of the terms and conditions including the service and performance criteria that must be met refer to note 13.

C. Service Agreements

Russell Baskerville – Managing Director

Terms of Agreement – commenced 1 July 2005 until terminated by either party
Salary – base $240,000 per annum with an additional STI cash bonus capped at 50% of base fees
Termination – three months written notice or three months remuneration in lieu.

Mel Ashton – Chairman

Terms of Agreement - appointed 21 December 2005 until terminated by either party
Fee – fixed $60,000 per annum

David Taylor – Non Executive Director

Terms of Agreement - appointed 21 December 2005 until terminated by either party
Fee – fixed $40,000 per annum

Richard Bevan – Non Executive Director

Terms of Agreement – commenced
Fee – fixed $40,000 per annum

Mark Waller – Company Secretary and Chief Financial Officer

Terms of Agreement – commenced 18 April 2005, until terminated by either party
Salary – base $163,500 per annum
Termination – one month's written notice or one month's remuneration in lieu

DIRECTOR'S REPORT (cont'd)

Table 1: Directors and executives remuneration for the year ended 30 June 2008 and 30 June 2007

			Short term benefits		Post Employment	Long term benefits (LTI)	Total	% Performance related
			Salary & Fees	Cash STI	Superan-nuation	Equity Options		
Non-Executive Directors								
	M. Ashton	2008	64,118	-	-	4,800	68,918	-
	Chairman	2007	50,000	-	-	6,000	56,000	-
	D. Taylor	2008	5,000	-	34,750	2,800	42,550	-
	Non-executive Director	2007	5,000	-	25,000	6,000	36,000	-
	R. Bevan	2008	16,667	-	-	-	16,667	-
	Non-executive Director (appointed 31 January 2008)	2007	-	-	-	-	-	-
Executive Directors								
	R. Baskerville	2008	238,200	[1]60,000	-	8,800	307,000	20%
	Chief Executive	2007	200,000	-	-	12,750	212,750	-
Key Management								
	M. Waller	2008	150,008	-	13,500	3,200	166,708	-
	Chief Financial Officer	2007	117,487	-	10,574	747	128,808	-
	C. Ferrier	2008	24,506	-	-	-	24,506	-
	Company Secretary	2007	25,519	-	-	-	25,519	-

[1] Payable at 30 June 2008, paid September 2008

Table 2: Options granted as part of remuneration

		Grant date	Grant Number	Average Value per option at grant date	Value of options granted during the year	Total value of options granted, exercised and lapsed during year	% Remuneration consisting of options for the year
Non Executive	M. Ashton	23/07/2007	600,000	0.008	4,800	4,800	6.96%
	D. Taylor	23/07/2007	350,000	0.008	2,800	2,800	6.58%
Executive	R. Baskerville	23/07/2007	1,100,000	0.008	8,800	8,800	3.56%
Key Management	M. Waller	23/07/2007	400,000	0.008	3,200	3,200	1.92%
	C. Ferrier	23/07/2007	350,000	0.008	2,800	2,800	11.42%

Directors Meetings

The number of Directors meetings and the number of meetings attended by each Director during the year are:

Name of Director	No. of Meetings Held while a Director	No. of Meetings Attended as a Director during the year ended 30 June 2008
Russell Baskerville	12	12
Mel Ashton	12	11
David Taylor	12	12
Richard Bevan	6	6

Richard Bevan joined the board on the 31 January 2008.

Director's and Key Management Personnel Equity Holdings

The following table sets out each Directors (including their related parties) interest in shares and options of the company as at the end of the financial year:

Director	Ordinary Shares	Options
Russell Baskerville	5,892,778	2,550,000
Mel Ashton	150,000	850,000
David Taylor	-	600,000
Mark Waller	1,618,624	814,038

Signed in accordance with a resolution of directors.

Russell Baskerville
Managing Director
30th of September 2008

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council's "Principals of Good Corporate Governance and Best Practice Recommendations", unless otherwise stated. The company has followed each of the Recommendations where the Board has considered the practices appropriate, taking into account factors such as size of the company and Board, the resources available, and the activities of the company. The corporate governance practices are reviewed regularly and will continue to be developed and refined to meet the needs of the company and appropriate practices.

The company includes information about its corporate governance practices on the company's website at www.empired.com including the Board charter, the group's code of conduct and other policies and procedures relating to the Board and its responsibilities.

PRINCIPLE 1 – Lay solid foundations for management and oversight

Recommendation 1.1 - Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions

The Board has the responsibility for charting the direction, strategies and financial objectives for the Company and monitoring the compliance with regulatory requirements and ethical standards of those policies. In performing their responsibilities the Board are guided by the objective of protecting the rights and interest of shareholders.

The roles and responsibilities of the Board are set out in the Board charter and this is available on the company website. The Board regularly reviews the charter to ensure that it is appropriate to meet the needs of the company and the Board and to comply with developing best practice standards.

Recommendation 1.2 – Companies should disclose the process for evaluating the performance of senior executives

During the reporting year an evaluation of the Board and key executives was carried out on an informal basis. As the activities of the Company develop, it will establish more formal evaluation procedures, including quantitative measures of performance.

PRINCIPLE 2 – Structure of the Board to add value

Recommendation 2.1 – A majority of the Board should be independent directors

The Board comprises of four directors who are appointed to ensure that the company is run in the best interest of the all shareholders. Other than Russell Baskerville all directors are independent non-executives. The names, skills, experience and expertise of the directors of the company in office at the date of this report are located in the Directors' report on pages 15-16.

A director is only to be regarded as independent if the director is independent of management and free of any business or other relationship what could materially interfere with or could reasonably be perceived to materially interfere with the exercise of the Director's unfettered and independent judgement.

In considering whether a Director is independent the Board considers:

- the criteria for assessing the independence of a Director in the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Proactive Recommendations"
- any information, facts or circumstances that the Board considers relevant; and
- any materiality thresholds, standards or guidelines that the Board may adopt from time to time.

Recommendation 2.2 – The chair should be an independent director

During 2008 the chairman of the Board of Directors was Mr Mel Ashton. Mr Ashton meets the independence criteria.

Recommendation 2.3 – The roles of chair and chief executive officer should not be exercised by the same individual

The role of chairperson of the Board and the Managing Director (CEO role) are not exercised by the same person. Mr

Baskerville is Managing Director and Mr Ashton is chairman of the Board.

Recommendation 2.4 – The Board should establish a nomination committee

Currently no formal committees to the Board have been established. The Board considers that given its size and that only one member of the Board holds an executive position in the company, no efficiencies or other benefits would be gained by establishing separate committees.

The Board intends to reconsider the requirement for and benefits of separate committees as the company's operations grow and evolve.

Recommendation 2.5 – Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors

There is currently no formal process in place to evaluate the performance of the Board, its committees and individual directors. A review of the performance of the Board and its directors is undertaken by each director with respect to each other and the performance of the Board itself.

The Board will reconsider the requirement for appropriate measures of performance as the company's operations grow and evolve.

PRINCIPLE 3 – Promote ethical and responsible decision making

Recommendation 3.1 – Companies should establish a code of conduct and disclose the code or a summary of the code as to:
- the practices necessary to maintain confidence in the company's integrity,
- the practices necessary to take into account their legal obligations and the reasonable expectations of stakeholders, and
- the responsibility and accountability of individuals for reporting and investigation reports of unethical practices.

All directors, managers and employees are expected to act with integrity and objectivity in their dealings with people that they come in contact with during their association with Empired Ltd. Such conduct is considered integral to the primary objective of working to enhance the Company's reputation and shareholder value. The code of conduct adopted is available on the Company's website www.empired.com.

Recommendation 3.2 – Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy

Directors and employees are prohibited from trading in Empired Limited shares, if the director or employee is in possession of inside or price sensitive information or would be trading for a short term gain. Directors and employees are encouraged to follow a long-term policy with respect to their investments in Empired.

Directors and employees are also aware of their obligations to ensure that they do not communicate price sensitive information to any other person who is likely to buy or sell Empired Limited shares or communicate that information to another party.

The company's practices are documented in the securities trading policy, details of which are available on the company's website.

PRINCIPLE 4 – Safeguard integrity of financial reporting

Recommendation 4.1 – The Board should establish an audit committee

A separate audit committee has not been formed. The role of the audit committee is carried out by the Board of directors. The Board consider that given its size and that only one member of the Board holds an executive position in the Company no efficiencies or benefits would be gained by establishing a separate audit committee.

The Board intends to reconsider the requirement for and benefits of separate committees as the company's operations grow and evolve.

Recommendation 4.2 – The audit committee should be structured so that it:
- consists only of non executive directors,
- consists of a majority of independent directors,
- is chaired by an independent chair, who is not chair of the Board, and
- has at least three members

This role is carried out by the Board and the requirement for a separate committee will be reconsidered on a regular basis.

Recommendation 4.3 – The audit committee should have a formal charter

An audit committee charter has been established setting out the role and responsibilities, composition structure, membership requirements and the manner in which the committee is to operate. This charter is available on the company website.

PRINCIPLE 5 – Make timely and balanced disclosure

Recommendation 5.1 – Companies should establish written policies and procedures designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at senior management level for that compliance and disclose those policies or a summary of those policies.

The responsibility for the overall communication has been appointed to the Managing Director and Company Secretary.

Empired Ltd is committed to:
- ensuring that shareholders and the market are provided with timely and balanced information about its activities;
- complying with the general and continuous disclosure principals contained in ASX Listing Rules and the Corporations Act 2001; and
- ensuring that all market participants have equal opportunities to receive externally available information issued by Empired.

The company continuous disclosure policy is available on the company website.

PRINCIPLE 6 – Respect the rights of shareholders

Recommendation 6.1 – Companies should design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose their policy or a summary of that policy.

The Board strongly believes in the importance of effective communication with shareholders to ensure their access to timely and relevant information.

The Company's website is regularly updated and provides details of recent announcements to the ASX, annual reports, and other significant information on the Company. Procedures are in place to review all information and to ensure all relevant information is immediately released to the market.

Shareholders are encouraged to attend the annual general meeting, providing them with an opportunity to question the Board and senior executives.

Empired has in place a written communications with shareholders policy which is available on the company website.

PRINCIPLE 7 – Recognise and manage risk

Recommendation 7.1 – Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises there is no effective internal control system that will prevent all errors and irregularities.

The company's risk management program is available on the company's website.

The effectiveness of the risk management program is reviewed annually and updated accordingly.

Recommendation 7.2 – The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed to the effectiveness of the company's management of its material business risks.

A risk may be initiated by any employee to a member of the Empired management team. Senior management are responsible for reviewing risks that have been escalated to them from an operational level. These risks are reviewed monthly by the Board.

The Board also reviews recommendations made by the external auditors, and where appropriate ensures that the Company puts in place controls and systems to manage these risks identified.

Recommendation 7.3 – The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations act is founded on a sound system of risk management, and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

This recommendation was complied with for 2008

PRINCIPLE 8 – Remunerate fairly and responsibly

Recommendation 8.1 – The Board should establish a remuneration committee

Due to the structure of the Board, a separate remuneration committee is not considered to add any efficiencies to the process of determining the levels of remuneration of the Directors and key executives. The Board considers that is more appropriate that it set aside time at Board meetings to address such matter that would normally fall to the remuneration committee.

Recommendation 8.2 – Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives

Detailed information regarding the remuneration paid to directors and senior executives is set out in the remuneration report.

EMPIRED LIMITED
and its Controlled Entities

Annual Financial Report
For the Year Ended 30 June 2008

INCOME STATEMENT

For the Year Ended 30 June 2008

	Notes	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT 2008 $	PARENT 2007 $
Continuing Operations					
Revenue					
Rendering of services	3	18,924,137	7,080,596	18,924,137	7,080,596
Cost of Sales		(13,674,937)	(4,907,888)	(13,674,937)	(4,907,888)
Gross profit		5,249,200	2,172,708	5,249,200	2,172,708
Other Income	3	388,591	9,150	388,591	9,150
Legal expenses		(2,875)	(36,384)	(2,875)	(36,384)
Marketing expenses		(17,598)	(786)	(17,598)	(786)
Occupancy expenses		(305,904)	(61,569)	(305,904)	(61,569)
Finance costs		(61,370)	(16,159)	(61,370)	(16,159)
Employee benefits		(2,630,014)	(1,153,224)	(2,630,014)	(1,153,224)
Depreciation expenses		(149,932)	(76,849)	(145,048)	(74,872)
Other expenses	4	(1,498,252)	(436,732)	(1,503,136)	(438,709)
Profit before income tax		971,846	400,155	971,846	400,155
Income tax benefit relating to ordinary activities	5	323,209	-	303,209	-
Profit after tax from continuing operations		1,295,055	400,155	1,295,055	400,155
Profit / (loss) from discontinued operations	6	-	(2,610,401)	-	(2,610,401)
Profit / (Loss) after tax attributable to members of the Company		1,295,055	(2,210,246)	1,295,055	(2,210,246)

Earnings per share (cents per share)

	2008	2007
Basic for profit for the year attributable to ordinary shareholders of the parent	2.99	(6.1)
Basic for profit from continuing operations attributable to ordinary equity holders of the parent	2.99	1.1
Diluted for profit for the year attributable to ordinary equity holders of the parent	2.51	(6.1)
Diluted for profit from continuing operations attributable to ordinary equity holders of the parent	2.51	1.0

BALANCE SHEET

As at 30 June 2008

	Notes	CONSOLIDATED		PARENT	
		2008	2007	2008	2007
		$	$	$	$
ASSETS					
Current Assets					
Cash and cash equivalents	8(i)	149,117	-	149,117	-
Trade and other receivables	9	8,104,872	1,355,037	8,104,872	1,355,037
Other current assets	10	153,323	93,364	153,323	93,364
		8,407,312	1,448,401	8,407,312	1,448,401
Assets classified as held for Sale	6	-	1,596,326	-	1,596,326
Total Current Assets		8,407,312	3,044,727	8,407,312	3,044,727
Non-Current Assets					
Other financial assets	24	-	-	367,485	372,369
Property, plant and equipment	11	701,610	325,108	685,777	304,390
Intangible assets	12	3,827,164	1,866,958	1,960,206	-
Deferred tax asset	5	676,928	-	676,928	-
Total Non-Current assets		5,205,702	2,192,066	3,690,396	676,759
TOTAL ASSETS		13,613,014	5,236,793	12,097,708	3,721,486
LIABILITIES					
Current Liabilities					
Bank overdraft	8(i)	-	16,492	-	16,492
Trade and other payables	14	5,173,466	844,047	5,173,466	844,047
Financial liabilities	15	1,433,903	466,297	1,433,903	466,297
Income tax payable	5	144,708	-	144,708	-
Provisions	16	391,014	127,290	391,014	127,290
Unearned revenue	17	202,917	202,517	202,917	202,517
		7,346,008	1,656,643	7,346,008	1,656,643
Liabilities directly associated with assets classified as held for sale	6	-	974,835	-	974,835
Total Current Liabilities		7,346,008	2,631,478	7,346,008	2,631,478
Non-Current Liabilities					
Financial liabilities	15	254,795	67,478	606,446	419,129
Provisions	16	22,221	-	22,221	-
Deferred tax liability	5	88,894	-	88,894	-
Total Non-Current Liabilities		365,910	67,478	717,561	419,129
TOTAL LIABILITIES		7,711,918	2,698,956	8,063,569	3,050,607
NET ASSETS		5,901,096	2,537,837	4,034,139	670,879
EQUITY					
Issued capital	18	2,775,982	5,936,265	2,775,982	5,936,265
Employee equity benefits reserve		98,439	56,602	98,439	56,602
Retained profits / (accumulated losses)		3,026,675	(3,455,030)	1,159,718	(5,321,988)
TOTAL EQUITY		5,901,096	2,537,837	4,034,139	670,879

CASH FLOW STATEMENT

For the Year Ended 30 June 2008

	Notes	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT 2008 $	PARENT 2007 $
Cash flows from operating activities					
Receipts from customers		12,502,533	7,957,076	12,502,533	7,957,076
Payments to suppliers and employees		(13,582,662)	(8,372,590)	(13,582,662)	(8,372,590)
Borrowing costs		(61,370)	(24,860)	(61,370)	(24,860)
Income tax rebate		-	332,726	-	332,726
Income tax paid		-	(36,338)	-	(36,338)
Interest received		388,591	10,385	388,591	10,385
Net cash flows used in operating activities	8(iii)	(752,908)	(133,601)	(752,908)	(133,601)
Cash flows from investing activities					
Purchase of property, plant and equipment		(526,434)	(275,831)	(526,434)	(275,831)
Acquisition of business acquisitions (net of cash acquired)	21(c)	(1,555,762)	-	(1,555,762)	-
Net cash flows used in investing activities		(2,082,196)	(275,831)	(2,082,196)	(275,831)
Cash flows from financing activities					
Proceeds from issue of shares		3,002,333	300,000	3,002,333	300,000
Payment of share issue and capital raising costs		(494,401)	(23,358)	(494,401)	(23,358)
Repayment of borrowings		(477,398)	-	(477,398)	-
Repayment of finance lease liabilities		(113,033)	(49,998)	(113,033)	(49,998)
Proceeds from borrowings		683,212	568,260	683,212	568,260
Net cash flows from financing activities		2,600,713	794,904	2,600,713	794,904
Net increase/(decrease) in cash and cash equivalents		(234,391)	385,472	(234,391)	385,472
Cash and cash equivalents at beginning of period		383,508	(1,964)	383,508	(1,964)
Cash and cash equivalents at end of period	8(i)	149,117	383,508	149,117	383,508

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2008

	Attributable to equity holders of the parent			Total equity
	Issued capital $	Retained earnings $	Employee Equity Benefits Reserve $	$
CONSOLIDATED				
At 1 July 2006	5,659,623	(1,244,784)	23,049	4,437,888
Share raising costs	(23,358)	-	-	(23,358)
Profit for the year	-	(2,210,246)	-	(2,210,246)
Issue of share capital	300,000	-	-	300,000
Exercise of options	-	-	-	-
Cost of share-based payments	-	-	33,553	33,553
At 30 June 2007	5,936,265	(3,455,030)	56,602	2,537,837
Return of capital re: discontinued operation	(5,788,331)	5,186,650	(19,810)	(621,491)
Share raising costs	(374,285)	-	-	(374,285)
Profit for the year	-	1,295,055	-	1,295,055
Issue of share capital	3,000,000	-	-	3,000,000
Exercise of options	2,333	-	(2,333)	-
Expiry of options	-	-	(4,400)	(4,400)
Cost of share-based payments	-	-	68,380	68,380
At 30 June 2008	2,775,982	3,026,675	98,439	5,901,096

	Attributable to equity holders of the parent			Total equity
	Issued capital $	Retained Earnings $	Employee Equity Benefits Reserve $	$
PARENT				
At 1 July 2006	5,659,623	(3,111,742)	23,049	2,570,930
Share raising costs	(23,358)	-	-	(23,358)
Profit for the year	-	(2,210,246)	-	(2,210,246)
Issue of share capital	300,000	-	-	300,000
Exercise of options	-	-	-	-
Cost of share-based payments	-	-	33,553	33,553
At 30 June 2007	5,936,265	(5,321,988)	56,602	670,879
Return of capital re: discontinued operation	(5,788,331)	5,186,651	(19,810)	(621,490)
Share raising costs	(374,285)	-	-	(374,285)
Profit for the year	-	1,295,055	-	1,295,055
Issue of share capital	3,000,000	-	-	3,000,000
Exercise of options	2,333	-	(2,333)	-
Expiry of options	-	-	(4,400)	(4,400)
Cost of share-based payments	-	-	68,380	68,380
At 30 June 2008	2,775,982	1,159,718	98,439	4,034,139

1 CORPORATE INFORMATION

The financial report of Empired Ltd for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 30 September 2008.

Empired Limited is a company limited by shares incorporated in Australia. The financial report includes the consolidated financial statements and notes of Empired Limited and controlled entities (Consolidated) and separate financial statements and notes of Empired Limited as an individual parent entity (Parent).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations and other authorative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis, and is based on historical costs modified where applicable, by measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand unless otherwise stated.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ('AIFRS'). The financial report also complies with international financial standards (IFRS).

In the current year the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Urgent Issues Group that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2006. The adoption of these new and revised Standards and Interpretations did not have any effect on the financial position or performance of the Group.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2008. These are outlined in the table below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Statement of compliance (cont'd)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	Amending standard issued as a consequence of AASB 8 Operating Segments	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. However the new standard may have an impact on the segment disclosures included in the Group's financial report.	1 July 2009
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	Amending standard issued as a consequence of AASB 123 (revised) Borrowing Costs.	1 January 2009	As the Group does not currently construct or produce any qualifying assets which are financed by borrowings the revised standard will have no impact.	1 July 2009
AASB 8	Operating Segments	This new standard will replace AASB 114 Segment Reporting and adopts a management approach to segment reporting.	1 January 2009	Refer to AASB 2007-3 above.	1 July 2009
AASB 123 (revised June 2007)	Borrowing Costs	AASB 123 previously permitted entities to choose between expensing all borrowing costs and capitalizing those that were attributable to the acquisition, construction or production of a qualifying asset. The revised version of AASB 23 requires borrowing costs to be capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset.	1 January 2009	Refer to AASB 2007-6 above.	1 July 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Statement of compliance (cont'd)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB Interpretation 129 (revised June 2007)	Service Concession Arrangements: Disclosures	The revised interpretation was issued as a result of the issue of Interpretation 12 and requires specific disclosures about service concession arrangements entered into by an entity, whether as a concession provider or a concession operator.	1 January 2008	As the Group currently has no service concession arrangements or public-private-partnerships (PPP), it is expected that this Interpretation will have no impact on its financial report.	1 July 2008
IFRIC Interpretation 13	Customer Loyalty Programmes	Deals with the accounting for customer loyalty programmes, which are used by companies to provide incentives to their customers to buy their products or use their services.	1 July 2008	The Group does not have any customer loyalty programmes and as such this interpretation is not expected to have any impact on the Group's financial report.	1 July 2008
IFRIC Interpretation 14	IAS 19 – The Asset Ceiling: Availability of Economic Benefits and Minimum Funding Requirements	Aims to clarify how to determine in normal circumstances the limit on the asset that an employer's balance sheet may contain in respect of its defined benefit pension plan.	1 January 2008	The Group does not have a defined benefit pension plan and as such this interpretation will not have an impact on the Group's financial report.	1 July 2008
AASB 2007-8	Amendments to Australian Accounting Standards arising from AASB 101	Amending standards issued as a consequence of AASB 101.	1 January 2009	Refer to ASSB 101 below.	1 January 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2]	Objective of this standard is to make amendment to clarify vesting conditions wthin AASB 2 Share-based payments.	1 January 2009	There will be no material impact to the consolidated Group.	1 January 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Statement of compliance (cont'd)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2008-2	Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]	The standard introduces an exception to the definition of financial liability to classify as equity instruments certain puttable financial instruments and certain instruments that impose on an entity only on liquidation of the entity.	1 January 2009	There will be no material impact to the consolidated Group.	1 January 2009
AASB 2008 -3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107,112,114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and interpretations 9 & 107]	Amending standards arising from revised AASB 3 and amended AASB 127.	1 July 2009	The revisions to AASB 3 and amended AASB 127 will be taken into consideration with respect to transactions to which the above revision and amendment concern from the operative date.	1 July 2009
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]	Amending standards as a consequence from the Annual Improvements Project.	1 January 2009	There will be no material impact to the consolidated Group.	1 January 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Statement of compliance (cont'd)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the annual Improvements Project [AASB 1 & AASB 5]	Amending standards to include requirements relating to a sale plan involving loss of control of a subsidiary.	1 July 2009	There will be no material impact to the consolidated Group.	1 July 2009
AASB 2008-7	Amendments to Australian Accounting Standards -Cost of Investment in Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]	Amending standards relating to the cost of investment in a Subsidiary, Jointly Controlled Entity or Associate.	1 January 2009	There will be no material impact to the consolidated Group.	1 January 2009
AASB 3	Business Combinations	Amended March 2008.	1 July 2009	The Group will consider amendments to Business Combinations standard with respect to any business combinations the Group undertakes.	1 July 2009
AASB 127	Consolidated and Separate Financial Statements	Deals with information that a parent entity provides in its separate financial statements and in its consolidated financial statements for a group of entities under its control.	1 July 2009	The Group will consider the application of this amendment in respect to producing consolidated financial statements from the operative date.	1 July 2009
AASB 101	Presentation of Financial Statements	AASB 101 is a disclosure standard. The new standard may have an impact on the disclosures included in the Group's financial report.	1 January 2009	AASB 101 is a disclosure standard so it will have no direct impact on the amounts included in the Group's financial report, however the new standard may have an impact on the disclosures included in the Group's financial report.	1 January 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Empired Limited and its subsidiaries as at 30 June each year ('the Group') (note 24).

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

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

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

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

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

Tusk Technologies Pty Ltd has been included in the consolidated financial statements using the purchase method of accounting, which measures the acquiree's assets and liabilities at their fair value at acquisition date. Accordingly, the consolidated financial statements include the results of Tusk Technologies Pty Ltd for the full financial year. The purchase consideration has been allocated to the assets and liabilities on the basis of the fair value at the date of acquisition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Property, plant and equipment

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

Depreciation is calculated on a diminishing value, except computer software which is on a straight-line basis, over the estimated useful life of the asset as follows:

Buildings & Improvements	DV	7.5 – 20 yrs
Leasehold Improvements	DV	5 – 20 yrs
Furniture & Fittings	DV	3 – 20 yrs
Computer Hardware	DV	3 – 5 yrs
Computer Software	SL	1 – 2.5 yrs

Impairment

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

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement in the cost of sales line item.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(f) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(g) Intangible Assets

Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost. Following initial recognition, the cost model is applied to the class of intangible assets.

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

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

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

Research and development costs

Research costs are expensed as incurred.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Intangible Assets (cont'd)

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

	Patents and Licences	Development Costs
Useful lives	Indefinite	Finite
Method used	Not depreciated or revalued	6 years- Straight line
Internally generated/ Acquired	Acquired	Internally generated
Impairment test / Recoverable amount testing	Annually and where an indicator of impairment exists	Amortisation methods reviewed at each financial year-end; Reviewed annually for indicator of impairment

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised on the income statement when the asset is derecognised.

(h) Impairment of assets

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(i) Financial assets and liabilities

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

The fair value is based on the net assets of the investment at balance date.

(j) Trade and other receivables

Trade receivables, which generally have 30-45 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

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

(k) Cash and cash equivalents

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(m) Provisions

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

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employee's services up to reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(o) Share-based payment transactions

The Group provides to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

There are currently two plans in place to provide these benefits:

The Empired Employee Share Option Plan (ESOP2), which provides to all employees excluding directors, and
The Executive Share Option Plan (ESOP1), which provides benefits to directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a binomial model further details are given in note 13.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Share-based payment transactions (continued)

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

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

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

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 7).

(q) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

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

(r) Revenue

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

Rendering of services
Revenue from the provision of services is recognised when the service has been provided.

Maintenance, Hosting and Support fees
Revenue from maintenance, hosting and support is recognised and bought to account over the time it is earned. Unexpired revenue is recorded as unearned income.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, the fair value is credited to a deferred income amount and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

(t) Income tax

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

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

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

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Other taxes

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

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

- receivables and payables are stated with the amount of GST included.

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

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

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

(v) Significant accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Group tests annually whether goodwill costs have suffered any impairment, in accordance with the accounting policies.

i. *Impairment of goodwill and intangibles with indefinite useful lives*

The group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 23.

3 REVENUES

	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT 2008 $	PARENT 2007 $
Sales Revenue				
Services	18,924,137	7,080,596	18,924,137	7,080,596
	18,924,137	7,080,596	18,924,137	7,080,596
Other Revenue				
Interest	35,261	2,295	35,261	2,295
Government grants	13,330	-	13,330	-
Management Fee	340,000	-	340,000	-
Other	-	6,855	-	6,855
	388,591	9,150	388,591	9,150
	19,312,728	7,089,746	19,312,728	7,089,746

4 EXPENSES

Profit before income tax includes the following specific expenses:

	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT 2008 $	PARENT 2007 $
Operating Lease Rentals				
Minimum lease payments	259,249	43,952	259,249	43,952
	259,249	43,952	259,249	43,952
Other Expenses				
Insurance	60,816	23,329	60,816	23,329
Travel	130,912	90,816	130,912	90,816
Administration	567,898	220,133	567,898	220,133
Other	479,377	58,502	479,377	58,502
	1,239,003	392,780	1,239,003	392,780
	1,498,252	436,732	1,498,252	436,732

5 INCOME TAX

	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT 2008 $	PARENT 2007 $
(a) Income tax expense				
The major components of income tax expense are:				
Income Statement				
Current income tax				
Current income tax charge	144,708	-	144,708	-
Deferred income tax				
Relating to origination and reversal of temporary differences	(467,917)	-	(467,917)	-
Income tax expense / (benefit) reported in income statement	(323,209)	-	(323,209)	-
(b) Amounts charged or credited directly to equity				
Expenses relating to initial public offering	(120,117)	-	(120,117)	-
Income tax expense reported in equity	(120,117)	-	(120,117)	-

5 INCOME TAX (cont'd)

	CONSOLIDATED		PARENT	
	2008	2007	2008	2007
	$	$	$	$
Prima facie tax on operating profit calculated at 30%	291,554	(663,074)	291,554	(663,074)
	291,554	(663,074)	291,554	(663,074)
Add tax effect of:				
Non-deductible expenses	17,754	2,099	17,754	2,099
Amortisation of trademark	-	356	-	356
Entertainment	5,731	3,848	5,731	3,848
Development expenditure	-	(29,234)	-	(29,234)
Timing differences not bought to account	-	513,186	-	513,186
Addition to prior year losses	-	172,819	-	172,819
Adjustments for prior year losses now brought to account	(638,248)	-	(638,248)	-
Income tax expense / (benefit)	(323,209)	-	(323,209)	-

Deferred tax assets and liabilities as a result of temporary differences

Consolidated	Balance Sheet	
Deferred Tax Liabilities	**2008**	**2007**
Invoices in Dispute	659	659
Work In Progress	81,896	47,704
Prepayments	6,340	4,977
Net Deferred Tax Liabilities	(88,895)	(53,340)
Deferred Tax Assets		
Accrued Superannuation	80,172	35,415
Provision For Annual Leave	117,304	57,540
Provision for Long Service Leave	6,667	-
Borrowing Costs	5,393	6,494
Tax Losses	347,276	260,876
Equity Raising Costs (direct to equity)	120,117	-
DTA balance not recognised	-	(306,985)
Deferred Tax Assets	676,929	53,340
Net Deferred Tax Assets	588,034	-

5 INCOME TAX (cont'd)

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.

No tax amounts have been recognised as part of the consolidated group.

6 DISCONTINUED OPERATIONS

The Board of Directors decided to dispose of the BigRedSky talent management software business. A sale agreement was entered into on the 1st of July 2007.

The disposal of BigRedSky to BigRedSky Limited and the subsequent return of capital to shareholders in the form of shares in BigRedSky Limited were executed on the 23rd of July 2007. At 30 June 2007 the assets and liabilities associated with the business were classified as assets and liabilities held for sale.

The results of the Discontinued operations are presented below:

	2008 $	2007 $
Revenue	-	913,227
Amortisation	-	(505,122)
Impairment	-	(1,168,446)
Other expenses	-	(1,850,060)
Loss Before Tax from discontinued operations	-	(2,610,401)
Income tax (expense) / benefit relating to discontinued operations	-	-
Loss for the year from discontinued operations	-	(2,610,401)

The major classes of assets and liabilities of BigRedSky as at the date of demerger are as follows:

	2007 $
Assets	
Cash	400,000
Intangibles	834,846
Property, plant and equipment	89,174
Inventories	5,200
Prepayments	16,425
Trade and other receivables	250,681
Assets classified as held for sale	1,596,326
Liabilities	
Trade creditors	(51,031)
Other payables	(134,285)
Interest bearing liabilities	(74,133)
Provisions	(64,511)
Other	(650,875)
Liabilities Directly associated with assets classified as held for sale	(974,835)
Net Assets attributable to discontinued operations	621,491

6 DISCONTINUED OPERATIONS (cont'd)

The net cash flows of BigRedSky were as follows:

	2008	2007
	$	$
Operating activities	-	357,931
Investing activities	-	-
Financing activities	-	42,756
Net cash inflow / (outflow)	-	400,687

The consideration receivable at the date of demerger is as follows:

	2007
	$
Present Value of deferred sales proceeds	621,491
Total disposal consideration	621,491
Less net assets disposed of	621,491
Loss in disposal before income tax	-
Income tax expense	-
Loss on disposal after income tax	-

The Proceeds on the sale were equal to the book value of the related net assets. As such no impairment expense was recognised on the reclassification of these operations as held for sale.

Earnings per share (cents per share)	2007
Basic from discontinued operations	-7.2
Diluted from discontinued operations	-7.2

7 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following represents the income and share data used in the basic and diluted earnings per share computations:

	CONSOLIDATED	
	2008 $	2007 $
Net profit attributable to ordinary equity holders of the parent from continuing operations	1,295,055	400,155
Profit / (loss) attributable to ordinary equity holders of the parent from discontinued operations	-	(2,610,401)
Net profit attributable to ordinary equity holders of the parent	1,295,055	(2,210,246)

	2008 Thousands	2007 Thousands
Weighted average number of ordinary shares for basic earnings per share	43,294	36,210
Effect of dilution:		
Share options	8,326	4,561
Weighted average number of ordinary shares adjusted for the effect of dilution	51,620	40,771

8 CASH AND CASH EQUIVALENTS

(i) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and cash in banks. Cash at the end of the year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	CONSOLIDATED		PARENT	
	2008	2007	2008	2007
	$	$	$	$
Cash assets	500	250	500	250
Bank accounts	42,397	383,258	42,397	383,258
Term deposit	106,220	-	106,220	-
	149,117	383,508	149,117	383,508
Overdraft in continuing operations	-	(16,492)	-	(16,492)
Bank accounts in discontinuing operations	-	400,000	-	400,000
	-	383,508	-	383,508

(ii) Financing facilities available

Invoice Discounting Facility	1,548,725	453,900	1,548,725	453,900

The Invoice Discounting Facility has a total limit of $2,500,000 (2007: $850,000)

8 CASH AND CASH EQUIVALENTS (cont'd)

(iii) Reconciliation of net cash flows from operating activities to operating profit (loss) after income tax

	CONSOLIDATED		PARENT	
	2008	2007	2008	2007
	$	$	$	$
Operating profit\(loss) after income tax	1,295,055	(2,210,246)	1,295,055	(2,210,246)
Depreciation	149,932	118,229	145,049	116,253
Amortisation	-	505,122	-	505,122
Write down\(up) of investment in subsidiary	-	-	4,883	1,976
Impairment of deferred expenditure	-	1,168,446	-	1,168,446
Option Plan Expense	61,647	33,554	61,647	33,554
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:				
(Increase)/decrease in net trade debtors	(6,422,003)	(508,860)	(6,422,003)	(508,860)
(Increase)/decrease in other receivables	(213,858)	336,226	(213,858)	336,226
(Increase)/decrease in other assets	(490,138)	(224,859)	(490,138)	(224,859)
(Increase)/decrease in prepayments	(59,959)	(22,116)	(59,959)	(22,116)
(Increase)/decrease in unbilled income	(113,974)	(156,825)	(113,974)	(156,825)
(increase)/decrease in deferred R & D	-	441,205	-	441,205
Increase/(decrease) in trade creditors	2,256,763	62,256	2,256,763	62,256
Increase/(decrease) in audit fees	(13,000)	(3,500)	(13,000)	(3,500)
Increase/(decrease) in other creditors	1,966,574	86,199	1,966,574	86,199
Increase/(decrease) in unexpired interest	19,218	8,516	19,218	8,516
Increase/(decrease) in accrued liabilities	379,782	143,342	379,782	143,342
Increase/(decrease) in unearned income	399	90,318	399	90,318
Increase/(decrease) in income tax	144,708	(36,338)	144,708	(36,338)
Increase/(decrease) in provision for employee entitlements	285,946	35,730	285,946	35,730
Net cash used in operating activities	(752,908)	(133,601)	(752,908)	(133,601)

(iv) Non-cash investing and financing activities

Acquisition of plant and equipment by means of finance lease	338,395	172,160	338,395	172,160

9 TRADE AND OTHER RECEIVABLES (CURRENT)

	CONSOLIDATED		PARENT	
	2008	2007	2008	2007
	$	$	$	$
Trade receivables	7,617,860	1,195,857	7,617,860	1,195,857
	7,617,860	1,195,857	7,617,860	1,195,857
Term deposit receivable	3,500	-	3,500	-
Unbilled income	272,987	159,013	272,987	159,013
Hire purchase funds receivable	210,358	-	210,358	-
Withholding tax receivable	167	167	167	167
	8,104,872	1,355,037	8,104,872	1,355,037

Trade receivables are non-interest bearing and are generally on 30-day terms. (For further details on credit risk refer to Note 19).

10 OTHER ASSETS

Current				
Prepayments	153,323	93,364	153,323	93,364
Total current other assets	153,323	93,364	153,323	93,364

11 PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		PARENT	
	2008	2007	2008	2007
	$	$	$	$
Plant and Equipment				
Plant and equipment at cost	812,733	550,436	707,006	444,663
Leased plant and equipment at cost	442,099	177,962	442,099	177,962
Accumulated depreciation	(553,222)	(403,290)	(463,328)	(318,236)
Net carrying amount of plant and equipment	701,610	325,108	685,777	304,389

Assets are held as security for hire purchase contracts.

	CONSOLIDATED		PARENT	
	2008	2007	2008	2007
Plant and Equipment				
Movements during the year:				
Opening balance 1 July 2007	325,108	256,680	304,389	233,984
Additions	526,434	275,831	526,434	275,831
Disposals	-	-	-	-
Assets included in discontinued operations held for sale (note 6)	-	(89,174)	-	(89,174)
Depreciation expense relating to assets included in discontinued operations held for sale (note 6)	-	(41,380)	-	(41,380)
Depreciation expense	(149,932)	(76,849)	(145,047)	(74,872)
Closing balance 30 June 2008	701,610	325,108	685,777	304,389

12 INTANGIBLE ASSETS & GOODWILL

Year ended 30 June 2008	CONSOLIDATED				PARENT
	Development costs[1] $	Patents and licenses $	Goodwill[2] $	Total $	Total $
At 1 July 2007					
Cost (gross carrying amount)	4,244,832	13,389	1,866,958	6,125,179	4,258,221
Accumulated amortisation and impairment	(3,411,142)	(12,235)	-	(3,423,377)	(3,423,377)
Intangible assets included in discontinued operations held for sale (note 6)	(833,690)	(1,154)	-	(834,844)	(834,844)
	-	-	1,866,958	1,866,958	-
At 30 June 2008					
Cost (gross carrying amount)	-	-	1,866,958	1,866,958	-
Additions	-	-	1,960,206	1,960,206	1,906,206
Accumulated amortisation and impairment	-	-	-	-	-
	-	-	3,827,164	3,827,164	1,906,206

[1] Internally generated
[2] Purchased as part of business combinations

12 INTANGIBLE ASSETS & GOODWILL (cont'd)

Year ended 30 June 2007	CONSOLIDATED				PARENT
	Development costs[1] $	Patents and licenses $	Goodwill[2] $	Total $	Total $
At 1 July 2006					
Net of accumulated amortisation	2,116,276	2,342	1,866,958	3,985,576	2,118,618
Additions	389,795	-	-	389,795	389,795
Impairment	(1,168,447)	-	-	(1,168,447)	(1,168,447)
Amortisation	(503,934)	(1,188)	-	(505,122)	(505,122)
At 30 June 2006,					
Intangible assets included in discontinued operations held for sale (note 6)	(833,690)	(1,154)	-	(834,844)	(834,844)
Net of accumulated amortisation	-	-	1,866,958	1,866,958	-
At 1 July 2006					
Cost (gross carrying amount)	3,855,037	13,389	1,866,958	5,735,384	3,037,427
Accumulated amortisation and impairment	(1,738,761)	(11,047)	-	(1,749,808)	(1,209,896)
Net carrying amount	2,116,276	2,342	1,866,958	3,985,576	1,827,531
At 30 June 2007					
Cost (gross carrying amount)	4,244,832	13,389	1,866,958	6,125,179	4,258,221
Accumulated amortisation and impairment	(3,411,142)	(12,235)	-	(3,423,377)	(3,423,377)
Intangible assets included in discontinued operations held for sale (note 6)	(833,690)	(1,154)	-	(834,844)	(834,844)
	-	-	1,866,958	1,866,958	-

[1] Internally generated
[2] Purchased as part of business combinations

12 INTANGIBLE ASSETS & GOODWILL (cont'd)

Development costs have been capitalised at cost. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 6 years. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

The patent acquired has been granted for a minimum of fifty years by the relevant government agency with the option of renewal at the end of this period based on whether the entity meets certain predetermined targets. In view of the small cost to acquire this asset, it was decided to amortise over six years.

Prior to the classification of BigRedSky as a discontinued operation, the recoverable amount was determined as value in use using a discounted rate of 12.75%. The impairment loss of $1,168,446 represents the write down of that intangible asset based on a discounted cash flow valuation and testing for obsolescence in the cash-generating unit. The impairment loss has been recognised in the income statement in the line item 'Loss for the year from discontinued operations'.

Goodwill has been tested for impairment this is detailed at note 23.

No impairment loss was charged for continuing operations in the 2008 financial year (note 23).

13 EMPLOYEE BENEFITS

(a) Empired employee share option plan (ESOP2)

The Group has an employee share options plan (ESOP2) for the granting of non-transferable options to employees and senior executives to assist in motivating and retaining employees.

Options issued under ESOP2 will vest on the sooner of one of the following conditions being satisfied:
(i) on the second anniversary, one third of the grant of options;
(ii) on the third anniversary, two thirds of the grant of options;
(iii) on the fourth anniversary, all of the grant of options; or
(iv) a takeover offer or bid in respect of Empired shares is made in accordance with the Corporations Act and the Board recommends that shareholders accept the offer.

Other relevant terms and conditions applicable to options granted under ESOP2 include:
any vested options that are unexercised on the fifth anniversary of their grant date will expire; and
upon exercise, options will be settled in ordinary shares of Empired Limited on the basis of one share for each option exercised.

No options were granted to employees during the financial year.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of share options issued under ESOP2.

	2008 No.	2008 WAEP	2007 No.	2007 WAEP
Outstanding at the beginning of the year	676,476	$0.35	277,550	$0.35
Granted during the year	-	-	414,389	$0.35
Forfeited during the year	-	-	(15,463)	$0.35
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	676,476	$0.35	676,476	$0.35
Exercisable at the end of the year	-	-	-	-

The outstanding balance as at 30 June 2008 is represented by:
- 277,550 options over ordinary shares with an average exercise price of $0.35 each, exercisable upon meeting the above conditions and until 31 July 2010;
- 398,926 options over ordinary shares with an average exercise price of $0.35 each, exercisable upon meeting the above conditions and until 22 February 2012

The weighted average contractual life for the share options outstanding as at 30 June 2008 is 3 years (2007: 4 years).

Share options issued under ESOP2 and outstanding at the end of the year have the following exercise prices:

Expiry Date	Exercise price	2008 No.	2007 No.
31-Jul-2010	$0.30	94,364	94,364
31-Jul-2010	$0.35	91,593	91,593
31-Jul-2010	$0.40	91,593	91,593
22-Feb-2012	$0.30	132,981	132,981
22-Feb-2012	$0.35	132,977	132,977
22-Feb-2012	$0.40	132,968	132,968
Total		676,476	676,476

13 EMPLOYEE BENEFITS (cont'd)

(b) Empired executive share option plan (ESOP1)

The Group has an executive share option plan (ESOP1) for the granting of non-transferable options to certain directors and senior executives to assist in motivating and retaining executives.

Options issued under ESOP1 will vest on the sooner of one of the following conditions being satisfied:
on the second anniversary of the grant of the options;

(i) a takeover offer or bid in respect of Empired shares is made in accordance with the Corporations Act and the Board recommends that shareholders accept the offer.
(ii) Other relevant terms and conditions applicable to options granted under ESOP1 include:
   (a) any vested options that are unexercised on the fifth anniversary of their grant date will expire;
   (b) upon exercise, options will be settled in ordinary shares of Empired Limited; and
   (c) options are issued to executives subject to successful ASX listing which has occurred post balance date.

On 23 July 2007, 3,600,000 options were granted with a fair value as follows:

Options	Fair value per option	Exercise price per option
3,600,000	$0.008	$0.40
3,600,000		

The options were granted over ordinary shares and are exercisable upon meeting the vesting conditions outlined above and until their expiry on 23 July 2010.

The fair value of the options are estimated at the date of grant using a binomial model. The following table gives the assumptions made in determining the fair value of the options granted in the year to 30 June 2008.

	23 July 2008 (3,600,000)
Dividend yield (%)	-
Expected volatility (%)	40%
Risk-free interest rate (%)	6.08%
Expected life of option (years)	3 years
Option exercise price ($)	$0.40
Share price at grant date ($) (Net Asset Backing)	$0.15

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other features of options granted were incorporated into the measurement of fair value.

13 EMPLOYEE BENEFITS (cont'd)

(b) Empired executive share option plan (cont'd)

During the year ended 30 June 2008, 11,666 options were exercised over ordinary shares.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of share options issued under the ESOP1.

	2008 No.	2008 WAEP	2007 No.	2007 WAEP
Outstanding at the beginning of the year	3,885,000	$0.25	2,035,000	$0.25
Granted during the year	3,600,000	$0.40	1,850,000	$0.25
Forfeited during the year	-		-	
Exercised during the year	(11,666)		-	
Expired during the year	(123,334)		-	
Outstanding at the end of the year	7,350,000	$0.32	3,885,000	$0.25
Exercisable at the end of the year	-	$ -	235,000	$0.25

As at 30 June 2008 there were 7,350,000 options over ordinary shares with an average exercise price of $0.32 each, exercisable upon meeting the conditions outlined above and until their expiry dates as set out in the table below.

The weighted average contractual life for the share options outstanding as at 30 June 2008 is 2.39 years (2007:3.58 years).

Share options issued under ESOP1 and outstanding at the end of the year have the following average exercise prices:

Expiry Date	Exercise price	2008 No.	2007 No.
26 November 2007	$0.25	-	135,000
23 November 2009	$0.25	100,000	100,000
28 November 2010	$0.25	700,000	700,000
23 March 2011	$0.25	1,100,000	1,100,000
28 July 2011	$0.25	600,000	600,000
17 November 2010	$0.25	750,000	750,000
17 November 2011	$0.25	500,000	500,000
23 July 2010	$0.40	3,600,000	-
Total		7,350,000	3,885,000

13 EMPLOYEE BENEFITS (cont'd)

Empired purchaser share option plan

On the 1 November 2007 Empired Limited issued 300,000 share options to acquire the assets and liabilities of the Quadrant Group. The estimated fair value of each share based payment option at grant date is $0.056

The fair value of the options are estimated at the date of grant using a binomial model. The following table gives the assumptions made in determining the fair value of the options granted in the year to 30 June 2008.

	1 November 2007 (300,000)
Dividend yield (%)	-
Expected volatility (%)	40%
Risk-free interest rate (%)	6.30%
Expected life of option (years)	3 years
Option exercise price ($)	$0.40
Share price at grant date ($) (Net Asset Backing)	$0.28

14 TRADE AND OTHER PAYABLES (CURRENT)

	CONSOLIDATED		PARENT	
	2008 $	2007 $	2008 $	2007 $
Trade payables	2,547,060	290,297	2,547,060	290,297
Superannuation payable	267,237	90,349	267,237	90,349
GST payable	645,853	98,955	645,853	98,955
PAYG payable	1,076,817	91,965	1,076,817	91,965
Accrued liabilities	606,476	239,694	606,476	239,694
Credit cards payable	25,948	32,787	25,948	32,787
Other	4,075	-	4,075	-
	5,173,466	844,047	5,173,466	844,047
Included in the above are aggregate amounts payable to the following related parties:				
Owing to directors and director related entities	26,292	24,709	26,292	24,709

Trade payables are non-interest bearing and are normally settled on 30-day terms.

For terms and conditions relating to related parties refer to note 24.

The net of GST payable and GST receivable and Superannuation payable and is remitted to the appropriate body on a quarterly basis. PAYG payable is remitted to the appropriate body on a monthly basis.

15 FINANCIAL LIABILITIES

	Effective interest rate %	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT 2008 $	PARENT 2007 $
Current					
Obligations under finance leases and hire purchase contracts (note 22)		164,981	46,423	164,981	46,423
Obligations under premium funding contracts		56,948	23,774	56,948	23,774
Invoice Discounting Facility		951,274	396,100	951,275	396,100
Deferred consideration		260,700	-	260,700	-
		1,433,903	466,297	1,433,903	466,297
Non-current					
Obligations under finance leases and hire purchase contracts (note 22)		254,795	67,478	254,795	67,478
Loan from Subsidiary		-	-	351,651	351,651
		254,795	67,478	606,446	419,129

Deferred Consideration
Payment is required 12 months after completion of the acquisition of Quadrant (Note 21).

Hire Purchase Contracts
Hire purchase contract maturity ranges from June 2008 to June 2011.

	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT 2008 $	PARENT 2007 $
Finance facilities available				
At reporting date, the following financing facilities had been negotiated and were available:				
Total facilities:				
- Invoice discounting facility	2,500,000	850,000	2,500,000	850,000
Facilities used at reporting date				
- Invoice discounting facility	(951,275)	(396,100)	(951,275)	(396,100)
Facilities unused at reporting date				
- Invoice discounting facility	1,548,725	453,900	1,548,725	453,900

Invoice discounting facility
The invoice discounting facility is secured by the debtors ledger and a floating charge over assets of the Group.

The financial covenants on the facility are an EBITDA to be maintained at $1,400,000 or greater, net worth of $2,500,000 or greater and assessed at each quarter on a rolling previous twelve month period basis. At 30 June 2008, the EBITDA covenant was not met however, Bankwest has subsequently waived this breach and will review this at the next quarterly period.

16 PROVISIONS

	CONSOLIDATED		PARENT	
	2008	2007	2008	2007
	$	$	$	$
Current				
Employee benefits	391,014	127,290	391,014	127,290
	391,014	127,290	391,014	127,290
Non-current				
Employee benefits	22,221	-	22,221	-
	22,221	-	22,221	-

17 UNEARNED REVENUE

	CONSOLIDATED		PARENT	
	2008	2007	2008	2007
	$	$	$	$
Current				
Unearned Revenue	202,917	202,517	202,917	202,517
	202,917	202,517	202,917	202,517

18 ISSUED CAPITAL AND RESERVES

	CONSOLIDATED			PARENT		
	2008 $		2007 $	2008 $		2007 $
Ordinary Shares						
Issued and fully paid	2,597,828		5,936,265	2,597,828		5,936,265
Issued and fully paid	2,597,828		5,936,265	2,597,828		5,936,265
	No.	Price ($)	Value ($)	No.	Price ($)	Value ($)
Movement in ordinary shares on the issue						
At 1 July 2006	34,210,648		5,659,623	34,210,648		5,659,623
Capital raising	2,000,000	0.15	300,000	2,000,000	0.15	300,000
Issue costs			(23,358)			(23,358)
At 30 June 2007	36,210,648		5,936,265	36,210,648		5,936,265
Return of capital in discontinued operations	-		(5,788,331)	-		(5,788,331)
Capital raising	10,000,000	0.30	3,000,000	10,000,000	0.30	3,000,000
Issue costs	-		(374,285)	-		(374,285)
Conversion of options	11,666	0.20	2,333	11,666	0.20	2,333
At 30 June 2008	46,222,314		2,775,982	46,222,314		2,775,982

Ordinary shares entitle the holder to participate in dividends, and carry one vote per share.

Capital Management Adequacy

The Group's objectives when managing capital is to safeguard the ability to continue as a going concern and to maintain a conservative capital structure to allow management to focus on the core business results, including returns to shareholders.

The company has two share option schemes under which options to subscribe for the company's shares have been granted to certain executives and employees (refer note 13). In addition a total 300,000 options were granted in relation to the acquisition of Quadrant Group. The employee equity benefits reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans and hire purchase contracts, cash and short-term deposits.

The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Market risk

- *Interest rate risk*

  Exposure to market interest rates is limited to the Company's cash balances. Cash balances are disclosed at note 8.

  Cash at bank accounts attract a variable interest rate of 5.95% (2007: 5.85%) based on the cash balance at year end. Cash on deposit attracts a variable interest rate of 5.00% at the end of the year.

  The Invoice Discounting Facility attracts a variable business market reference rate of 11.08% (2007: 9.99%). At 30 June 2008, if this rate had changed by +/- 1% from the year end rates, this would have changed to $9,512 (2007: $3,961) lower/higher.

  At 30 June 2008, if interest rates had changed by +/- 1% from the year end rates above, after tax profits would have been $5,619 (2007: $90) lower/higher.

  The Company constantly monitors its interest rate exposure.

- *Foreign currency risk*

  The Group's exposure to foreign currency risk is minimal.

- *Commodity price risk*

  The Group's exposure to price risk is minimal.

Credit risk

The Group trades only with recognised, creditworthy third parties.

It is the Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Customers that fail to meet the Group's creditworthiness may transact with the group only on a prepayment basis.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

For transactions that are not denominated in the measurement currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

- *Exposure to credit risk*

The Group's maximum exposure to credit risk at the report date was:

	2008	2007
	$	$
Loans and receivables (note 9)	7,617,860	1,195,857
	7,617,860	1,195,857

The aging of the Group's trade receivables at reporting date was:

	2008	2007
	$	$
Not past due	4,713,666	988,985
Past due 0-30 days	1,625,075	56,697
Past due 31-60 days	390,545	91,785
Past due 60 days	888,574	58,390
	7,617,860	1,195,857

The group expects to be able to recover all outstanding debts.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, invoice discounting facilities and hire purchase contracts.

The Group manages liquidity risk by forecasting and monitoring cash flows on a continuing basis.

20 FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities must be estimated for measurement and disclosure purposes.

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.

Interest Rate Risk

Exposure to interest rate risks on financial assets and liabilities are summarised as follows:

2008	Floating interest rate	Fixed Interest Rate 1 year or less	Fixed Interest Rate Over 1 to 5 years	Non-interest bearing	Carrying amount as per balance sheet	Weighted average effective interest rate
	2008 $	2008 $	2008 $	2008 $	2008 $	2008
i) Financial Assets						
Term deposit	-	3,500	-	-	3,500	1.250%
Term deposit	-	106,220	-	-	106,220	6.74%
Cash	42,397	-	-	-	42,397	5.95%
Receivables – trade	-	-	-	7,617,860	7,617,860	-
Receivables – hire purchase	-	-	-	210,358	210,358	-
Receivables – other	-	-	-	273,154	273,154	-
Total financial assets	42,397	109,720	-	8,101,372	8,253,489	-
ii) Financial liabilities						
Invoice discounting facility	-	951,272	-	-	951,272	11.08%
Accounts payables	-	-	-	2,547,060	2,547,060	-
Hire purchase	-	164,981	254,795	-	419,776	9.42%
Short term loans	-	56,947	-	260,700	317,647	6.93%
Total financial liabilities	-	1,173,200	254,795	2,807,760	4,235,755	-

iii) The aging of the Group's trade payables at reporting date was:

	2008 $
Not past due	2,245,235
Past due 0-30 days	275,651
Past due 31-60 days	26,140
Past due 60 days	33
	2,547,059

20 FINANCIAL INSTRUMENTS (cont'd)

2007	Floating interest rate 2007 $	Fixed Interest Rate 1 year or less 2007 $	Fixed Interest Rate Over 1 to 5 years 2007 $	Non-interest bearing 2007 $	Carrying amount as per balance sheet 2007 $	Weighted average effective interest rate 2007
i) Financial Assets						
Receivables – trade	-	-	-	1,195,857	1,195,857	-
Receivables – other	-	-	-	159,180	159,180	-
Total financial assets	-	-	-	1,355,037	1,355,037	-
ii) Financial liabilities						
Invoice discounting facility	-	396,100	-	16,492	412,592	9.99%
Accounts payables	-	-	-	290,297	290,297	-
Hire purchase	-	46,423	67,478	-	113,901	9.03%
Short term loans	-	23,744	-	-	23,744	7.83%
Total financial liabilities	-	466,267	67,478	306,789	840,534	-

iii) The aging of the Group's trade payables at 30 June 2007:

	2007 $
Not past due	188,840
Past due 0-30 days	54,142
Past due 31-60 days	42,159
Past due 60 days	5,156
	290,297

21 BUSINESS COMBINATIONS

During the Financial Year Empired acquired two businesses, Quadrant Group and Commander Australia Limited's WA ICT business.

(a) Quadrant Group

On 1 November 2007 Empired Limited acquired all of the assets and liabilities in Quadrant Group business, a Western Australian IT consulting services provider, for cash consideration of $1,719,838 plus 300,000 options at a fair value of $0.056 per option.

In the eight months to 30 June 2008 the business contributed revenue of $2,602,283 and net profit of $503,619 to the Group.

Details of net assets acquired and goodwill are as follows:

	$
Purchase consideration	
Cash paid	1,719,838
Option costs relating to acquisition	16,800
Direct costs relating to acquisition	12,486
Total purchase consideration	1,749,124
Fair value of net identifiable assets acquired (refer below)	4,016
Goodwill	1,753,140

The goodwill is attributable to Quadrant Group business's strong position and profitability in providing IT consulting services and synergies expected to arise after the company's acquisition. Numerous uncompleted contracts were acquired, however after review of their financial effect it was considered that customer related intangibles were not material and have not been separately recognised.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $	Fair value $
Property, plant and equipment	22,684	22,684
Work in Progress	2,094	2,094
Deferred tax asset	8,538	8,538
Unearned revenue	(8,872)	(8,872)
Annual leave	(28,460)	(28,460)
Net identifiable assets acquired	(4,016)	(4,016)

Total Cash Outlaid	$
Outflow of Cash for acquisition	1,124,025
Payment of deferred consideration	347,600
Outflow/ (inflow) of cash	1,471,625

21 BUSINESS COMBINATIONS (cont'd)

(b) Commander Australia Limited – WA ICT Business

Empired Limited acquired Commander Australia Limited's WA ICT business on the 13th February 2008. Consideration of $30,000 was paid for plant & equipment, goodwill, and obligations in relation to fulfilling customer contracts.

To disclose the profit and loss results of Commander Australia WA ICT since the date of acquisition would not be feasible as the business was fully integrated into the Group on purchase.

Details of the acquisition is as follows:

Purchase consideration	**$**
Cash paid	30,000
Direct costs relating to acquisition	54,137
Total purchase consideration	84,137
Fair value of net identifiable assets acquired (refer below)	122,929
Goodwill	207,066

The goodwill is attributable to Commander Australia Limited's WA ICT Business' strong position and profitability in providing IT consulting services and synergies expected to arise after the company's acquisition. Numerous uncompleted contracts were acquired, however after review of their financial effect it was considered that customer related intangibles were not material and have not been separately recognised.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $	**Fair value $**
Property, plant and equipment	80,000	80,000
Customer contract obligations (Unearned Income)	(202,929)	(202,929)
Net identifiable assets acquired	(122,929)	(122,929)

Total Cash Outlaid	**$**
Outflow of Cash for acquisition	84,137
Outflow/ (Inflow) of cash	84,137

21 BUSINESS COMBINATIONS (cont'd)

(c) Summary of total cash outlaid for acquisitions

		CONSOLIDATED		PARENT	
		2008	2007	2008	2007
		$	$	$	$
Total cash outflow/(inflow)					
Quadrant Group	21(a)	1,471,625	-	1,471,625	-
Commander Australia Limited WA ICT Business	21(b)	84,137	-	84,137	-
Outflow/(Inflow) of cash	8	1,555,762	-	1,555,762	-

22 COMMITMENTS AND CONTINGENCIES

No contingent assets or liabilities as at 30 June 2008.

Commitments for Expenditure

	CONSOLIDATED		PARENT	
	2008	2007	2008	2007
	$	$	$	$
A. Hire Purchase				
The consolidated entity has various computer equipment on hire purchase arrangements. The lease is for a period of 35 months.				
Not later than one year	200,933	54,872	200,933	54,872
Later than one year but not later than five years	279,719	73,022	279,719	73,022
Less: unexpired charges	(60,875)	(13,994)	(60,875)	(13,994)
	419,777	113,900	419,777	113,900
B. Hire Purchase				
Current (refer note 15)	164,981	46,422	164,981	46,422
Non Current (refer note 15)	254,796	67,478	254,796	67,478
Total Hire Purchase	419,777	113,900	419,777	113,900
Loan Repayments				
The consolidated entity has borrowed the necessary funds from CGU to finance insurance. The terms of the loans are for 10 months each.				
Not later than one year	60,893	25,632	60,893	25,632
Later than one year but not later than five years	-	-	-	-
Less: unexpired charges	(3,946)	(1,858)	(3,946)	(1,858)
	56,947	23,774	56,947	23,774
Loan Repayments				
Current (refer note 15)	56,947	23,774	56,947	23,774
Non Current (refer note 15)	-	-	-	-
Total Loan Repayments	56,947	23,774	56,947	23,774

22 COMMITMENTS AND CONTINGENCIES (cont'd)

Operating Leases

Office premises are leased under non-cancellable operating leases for periods as follows:

LOCATION	STATE	TERMS
469 Murray Street	PERTH	1 year to 30 June 2009 with an option to extend for 1 year
Lvl 13 256 Adelaide Terrace	PERTH	Expire on 30 September 2010
470 Collins Street	MELBOURNE	6 months to 15 January 2009 with an option to extend for 6 months
121 King William Street	ADELAIDE	6 months to 28 February 2009 with an option to extend for 6 months

Their commitment can be seen below:

Minimum lease payments under non-cancellable operating leases according to the time expected to elapse to the expected date of payment:				
Not later than one year	483,072	119,521	483,072	119,521
Later than one year but not later than five years	511,845	-	511,845	-
	994,917	119,521	994,917	119,521
Bank Guarantee in relation to rental premises at 256 Adelaide Terrace:				
Maximum amount the bank may call	106,220	-	106,220	-

23 IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations (refer Note 12 and 21) 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 11.08% (2007: 12.75%) using a 4.20% growth rate (2007: 12.7%) that is the same as the average growth rate for the IT Infrastructure Services market sector.

Carrying amount of goodwill

	CONSOLIDATED				PARENT	
	IT Infrastructure Services Segment		**Total**		**Total**	
	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $
Carrying amount of goodwill	3,827,164	1,886,958	3,827,164	1,886,958	1,960,206	1,960,206

Key assumptions used in value in use calculation for 30 June 2008 and 30 June 2007

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Budgeted gross margins – the basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements. Bond rates - the yield on a five-year government bond rate at the beginning of the budgeted year is utilised and the value assigned to the key assumption is consistent with external information sources. Values assigned to key assumptions reflect past experience, except for efficiency improvements which have been estimated at 3% per annum.

Resources price inflation – the basis used to determine the value assigned to the resources price inflation is the forecast price indices during the budget year for Australia. Key assumptions are consistent with external information sources.

24 RELATED PARTY DISCLOSURE

Other Financial Assets		% Equity Interest		Investment ($)	
	Country of Incorporation	2008 %	2007 %	2008 $	2007 $
Tusk Technologies Pty Ltd	Australia	100	100	367,485	372,367
BigRedSky Limited	Australia	-	100	-	2
				367,485	372,369

The balance of the Tusk Technologies Pty Ltd loan as at 30 June 2008 is $351,651. This loan is unsecured does not bear interest and is not repayable in the next 12 months. The investment in Tusk Technologies Pty Ltd is measured at fair value at the 30th of June 2008. The revaluation downwards is recorded in the income statement.

Other than this related party loan there are no other related party transactions requiring disclosure.

25 EVENTS AFTER THE BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years other than as set out below:

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

Declared and paid during the year 2008	**Total amount**
Final ordinary dividend for the year ended 30 June 2008 of 0.5 cents per fully paid share to be paid 8th October 2008	$231,112

26 AUDITORS' REMUNERATION

	CONSOLIDATED		PARENT	
	2008 $	2007 $	2008 $	2007 $
Amounts received or due and receivable by auditors or the parent entity:				
• an audit or review of the financial report of the entity and any other entity in the consolidated entity	19,175	32,340	19,175	32,340
• other services in relation to the entity and any other entity in the consolidated entity				
tax compliance	-	22,293	-	22,293
special audits required by regulators	-	7,470	-	7,470
	19,175	62,103	19,175	62,103
Amounts received or due and receivable by other auditors for:				
• other non-audit services	20,210	4,000	20,210	4,000
• an audit or review the financial report of subsidiary entities	37,595	-	37,595	-
	76,980	66,103	76,980	66,103

27 KEY MANAGEMENT PERSONNEL

Directors

The following persons were directors of Empired Limited during the financial year:

M Ashton
D Taylor
R Bevan
R Baskerville

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group during the financial year:

M Waller	Chief Financial Officer and Company Secretary
C Ferrier	Company Secretary (resigned 20 December 2008)

(c) Remuneration of Key Management Personnel

Information regarding key management personnel compensation is provided in the remuneration section of the directors' report on pages 15 to 16.

27 KEY MANAGEMENT PERSONNEL (cont'd)

(d) Option holdings of directors and executives

The movement during the reporting period in the number of options over ordinary shares in Empired Limited held, directly, indirectly or beneficially, by each of the key management person, including their related parties, is as follows:

30 June 2008	Balance at beg of period 01-Jul-07	Granted as Remuneration	Options Exercised	Net Change Other #	Balance at end of period 30-Jun-08	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
R. Baskerville	1,450,000	1,100,000	-	-	2,550,000	2,550,000	-
M. Ashton	250,000	600,000	-	-	850,000	850,000	-
D. Taylor	250,000	350,000	-	-	600,000	600,000	-
R. Bevan	-	-	-	-	-	-	-
Executives							
M. Waller	414,038	400,000	-	-	814,038	814,038	-
C. Ferrier	35,000	350,000	(11,666)	(23,334)	350,000	350,000	-
Total	2,399,038	2,800,000	(11,666)	(23,334)	5,164,038	5,164,038	-

30 June 2007	Balance at beg of period 01-Jul-06	Granted as Remuneration	Options Exercised	Net Change Other #	Balance at end of period 30-Jun-07	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
R. Baskerville	700,000	750,000	-	-	1,450,000	1,450,000	-
M. Ashton	-	250,000	-	-	250,000	250,000	-
D. Taylor	-	250,000	-	-	250,000	250,000	-
Executives							
M. Waller	350,000	64,038	-	-	414,038	414,038	-
C. Ferrier	35,000	-	-	-	-	-	35,000
Total	1,085,000	1,314,038	-	-	2,364,038	2,364,038	35,000

27 KEY MANAGEMENT PERSONNEL (cont'd)

(e) Shareholdings of Directors and Executives

Shares held in Empired Limited

30 June 2008	Balance 01-Jul-07		Granted as Remuneration		On Exercise of Options		Net Change Other		Balance 30-June-08	
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref
Directors										
Mr. R Baskerville	4,889,269	-	-	-	-	-	1,003,509	-	5,892,778	-
Mr. M Ashton	-	-	-	-	-	-	150,000	-	150,000	-
Mr. D Taylor	-	-	-	-	-	-	-	-	-	-
Mr. R Bevan	-	-	-	-	-	-	-	-	-	-
Total	4,889,269	-	-	-	-	-	1,153,509	-	6,042,778	-

30 June 2007	Balance 01-Jul-06		Granted as Remuneration		On Exercise of Options		Net Change Other		Balance 30-June-07	
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref
Directors										
Mr. R Baskerville	4,220,841	-	-	-	-	-	668,428	-	4,889,269	-
Mr. M Ashton	-	-	-	-	-	-	-	-	-	-
Mr. D Taylor	-	-	-	-	-	-	-	-	-	-
Total	4,220,841	-	-	-	-	-	668,428	-	4,889,269	-

All equity transactions with directors and other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

30 June 2008	Balance 01-Jul-07		Granted as Remuneration		On Exercise of Options		Net Change Other		Balance 30-June-08	
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref
Specified Executives										
M. Waller	1,483,811	-	-	-	-	-	134,813	-	1,618,624	-
C. Ferrier	-	-	-	-	11,666	-	-	-	11,666	-
Total	1,483,811	-	-	-	11,666	-	134,813	-	1,630,290	-

27 KEY MANAGEMENT PERSONNEL (cont'd)

(e) Shareholdings of Directors and Executives (cont'd)

30 June 2007	Balance 01-Jul-06		Granted as Remuneration		On Exercise of Options		Net Change Other		Balance 30-June-07	
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref
Executives										
M. Waller	810,001	-	-	-	-	-	673,810	-	1,483,811	-
C. Ferrier	-	-	-	-	-	-	-	-	-	-
Total	810,001	-	-	-	-	-	673,810	-	1,483,811	-

28 DIVIDENDS

No dividends have been paid during the year (2007 nil). A dividend of 0.5c per ordinary share has been declared by the Board. Record date will be the 15th of September and payment date the 8th of October.

	CONSOLIDATED	
	2008 ($)	2007 ($)
(a) Dividends Proposed		
Proposed final fully franked ordinary dividend of 0.5 cents per ordinary share at the tax rate of 30%	231,112	-
(b) Franking Credit Balance		
Balance of franking account at year end at 30% available to the shareholders of Empired Limited for subsequent financial years	209,213	155,429

29 SEGMENT INFORMATION

(a) Primary segment – Business
The consolidated entity's operations are predominantly in consulting services in the information technology industry.

(b) Secondary segment – Geographical
The consolidated entity operates predominantly within Australia

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 company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

   (i) complying with Accounting Standards and Corporations Regulations 2001; and

(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.

This declaration is made after receiving the declarations required to be made by the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2008.

On behalf of the Board

Russell Baskerville
Managing Director
30th of September 2008

Grant Thornton

Grant Thornton (WA) Partnership
ABN: 17 735 344 518
Level 1
10 Kings Park Road
West Perth WA 6005
PO BOX 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E admin@gtwa.com.au
W www.grantthornton.com.au

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 audit of Empired Limited for the year ended 30 June 2008, 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 audit; and

b No contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP

J W VIBERT
Director
Perth, WA

Date: 30 September 2008

Grant Thornton

Grant Thornton (WA) Partnership
ABN: 17 735 344 518
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EMPIRED LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Empired Limited, (the company) which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 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. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Electronic Presentation of Audited Financial Report

This auditor's report relates to the financial report of Empired Limited for the year ended 30 June 2008 included on the Company's web site. The company's directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of the Company's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site

Independence

In conducting our audit, we complied with applicable independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Empired Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 20 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Empired Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

J W Vibert
Partner
Perth, WA

Date: 30 September 2008

SHAREHOLDING ANALYIS

In accordance with Listing Rule 4.10 of the Australia Stock Exchange Limited, the Directors provide the following shareholding information which was applicable as at 30th June 2008.

a. Distribution of Shareholding

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	%
1 - 1,000	3	0.01
1,001 - 5,000	16	0.11
5,001 - 10,000	52	0.88
10001 - 100,000	213	17.19
100,001 - MAX	74	81.81
Total	358	100.00

b. Substantial Shareholders

The following are registered by the Company as substantial shareholders, having declared a relevant interest in the number of voting shares shown adjacent as at the date of giving the notice.

SHAREHOLDER	NUMBER	%
Mr Russell Baskerville	5,481,531	11.9
Mr Gregory Leach	3,504,225	7.6

c. Twenty Largest Shareholders

The names of the twenty largest shareholders are:

NAME	NUMBER OF SHARES HELD	%
Mr Russell Baskerville	5,481,531	11.86
Mr Gregory Leach	3,504,225	7.58
Uniplex Constructions Pty Ltd <Wesville Super fund A/C>	2,333,414	5.05
Mr John Alexander Bardwell	2,002,500	4.33
Mr David Cawthorn	2,000,000	4.33
Ms Kym Garreffa	1,306,167	2.83
Mr Fraser Campbell	1,200,000	2.60
Thames Holdings Pty Ltd	971,458	2.10
Mr Mark Patton	965,475	2.09
Mr Gregory Bandy	800,000	1.73
Topsfield Pty Ltd	779,490	1.69
Mr Mark Waller <ME Waller Family A/C>	666,667	1.44
Mr Kevin Flynn	650,000	1.41
Mr Anthony James Farrell	603,019	1.30
GRD Limited	600,000	1.30
Trovex Pty Ltd	600,000	1.30
UBS Wealth Management	563,000	1.22
Mr Mark Waller	547,144	1.18
Locope Pty Ltd	528,667	1.14
Cornela Pty Ltd <MacLiver Family Fund A/C>	500,000	1.08
Total	26,602,757	57.56

The twenty members holding the largest number of shares together held a total of 57.56% of issued capital.

SHAREHOLDING ANALYIS

d. Issued Capital

The fully paid issued capital of the company consisted of 46,222,314 shares held by 358 shareholders.

Each share entitles the holder to one vote.

e. On-Market Buy-Back

There is no current on-market buy-back.

f. Company Secretary

The Company Secretaries are Mr Mark Waller and Mr Jeremy King.

g. Registered Office

The registered office of Empired Ltd is
469 Murray Street, Perth WA 6000

h. Other Offices

The other offices are:

HEAD OFFICE

469 Murray Street
Perth WA 6000
Telephone + 61 8 9321 9401

Level 13, Septimus Roe Square
256 Adelaide Terrace
Perth WA 6000
Telephone + 61 8 9223 1234

Melbourne
Level 3
470 Collins Street
Melbourne VIC 300
Telephone +61 3 8610 0700

Adelaide
Level 5
City Central
Tower 2
121 King William Street
Adelaide SA 5000
Telephone +61 8 8423 4426

OTHER INFORMATION FOR SHAREHOLDERS

In accordance with Listing Rule 4.10 of the Australian Stock Exchange Limited, the Directors provide the following information not elsewhere disclosed in this report.

SHAREHOLDER COMMUNICATIONS

The Board of Directors aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- The annual report is distributed to shareholders who elect to receive the document. A copy of the full annual report is available free of charge, upon request, from the Company. The Board ensures that the annual report includes relevant information about the operation of the Company during the year, changes in the state of affairs of the Company and details of future developments, in addition to the other disclosures required by the Corporations Act;

- The half-year report contains summarised financial information and a review of the operations of the Company during the period. The half-year financial report is prepared in accordance with the requirements of Accounting Standards and the Corporations Act, and is lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange; and

- The Company's internet website at www.empired.com is regularly updated and provides details of recent material announcements by the Company to the stock exchange, annual reports and general information on the Company and its business. The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

- As per listing rule 4.10.19, the Company has used cash raised in listing on ASX in a way consistent with its business objectives.

- As per listing rule 4.10.8, the Company had 17 shareholders with unmarketable parcels of ordinary shares.

INTERNET ACCESS TO INFORMATION

Empired maintains a comprehensive Investor Relations section on its website at
www.empired.com/index.php?page=corpgovernance

You can also access comprehensive information about security holdings at the Computershare Investor Centre at
www-au.computershare.com/investor/

By registering with Computershare's free Investor Centre service you can enjoy direct access to a range of functions to manage your personal investment details. You can create and manage your own portfolio of investments, check your security holding details, display the current value of your holdings and amend your details online.
Changes to your shareholder details, such as a change of name or address, or notification of your tax file number or direct credit of dividend advice can be made by printing out the forms you need, filling them in and sending the changes back to the Computershare Investor Centre.

SHARE REGISTRY ENQUIRIES

Shareholders who wish to approach the Company on any matter related to their shareholding should contact the Computershare Investor Centre in Melbourne:

The Registrar
Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Tce
Perth WA 6000
Telephone +61 8 9323 2000
Facsimile +61 8 9323 2033

Website www-au.computershare.com/investor

ANNUAL GENERAL MEETING

The 2008 Annual General Meeting of Empired Limited will be held in the:

The Melbourne Hotel
942 Hay Street, Perth WA 6000
at 10:00am on Wednesday, 21 November 2008.
Formal notice of the meeting will be circulated to shareholders separate to this report.

STOCK EXCHANGE LISTING

Empired Limited shares are listed on the Australian Stock Exchange (ASX:EPD). The home exchange is Perth.

All shares are recorded on the principal share register of Empired Limited, held by Computershare Investor Services Pty Limited at the following street address:

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Tce
Perth WA 60

www.empired.com