



ANNUAL REPORT
2009



EMPIRED Ltd.
ABN 81 090 503 843

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Mark Waller

REGISTERED OFFICE

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

COMPANY NUMBER

A.C.N: 090 503 843

COUNTRY OF INCORPORATION

Australia

COMPANY DOMICILE AND LEGAL FORM

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

LEGAL ADVISERS

McKenzie Moncrieff Lawyers
Level 5, 37 St Georges Tce
Perth WA 6000

AUDITORS

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

SHARE REGISTER

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

ASX CODE: EPD

PRINCIPAL PLACE OF BUSINESS

Perth

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Telephone No: +618 9321 9401
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Septimus Roe Square
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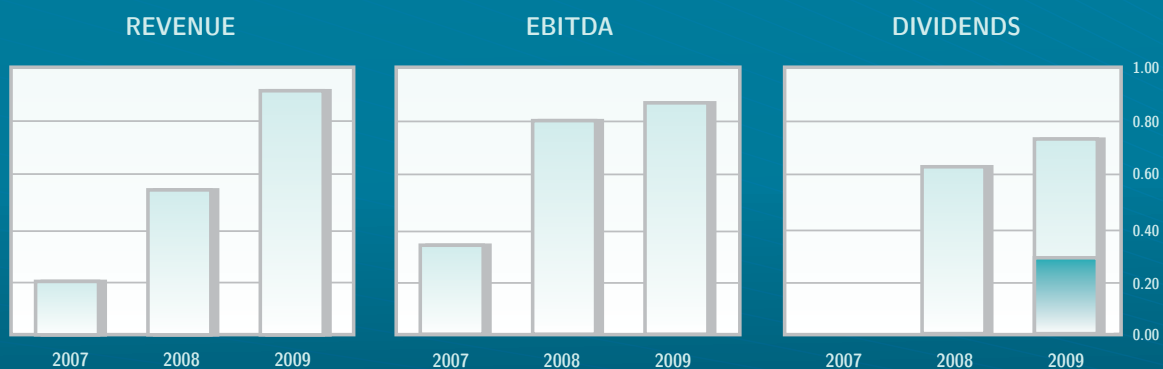
WEBSITE www.empired.com

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RESULTS

	2008	2009	Growth
Revenue	\$ 18,924,137	\$ 32,633,570	72%
EBITDA	\$ 1,183,148	\$ 1,228,186	4%
Dividend Declared	0.5 cents per share	0.75 cents per share	50%



HIGHLIGHTS

- » Contracted annuity revenue up 101% against FY2008
- » Positive net operating cash flow of \$2.4 Million
- » Annualised expense reduction of approximately \$1.8M per annum
- » Significant improvement in geographic diversification
- » Significant improvement in sector diversification
- » Secured first major State Government Managed Services client
- » Increased the average value and length of client engagements
- » Currently bidding on approximately \$50 Million in Managed Services contracts

' 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

Throughout the previous financial year we have been presented with many challenges, many as a result of the Global Financial Crisis and its effect on trading conditions in Australia. We are pleased to report that Empired has effectively navigated this difficult environment and demonstrated the resilience of its business model. Empired has continued to grow its operating performance. Revenue is up 72% to \$32.63 Million, EBITDA increased 4% to \$1.23 Million delivering NPAT of \$0.53 Million and EPS of 1.2 cents.

These results have allowed us to grow our dividend payment with a fully franked 0.25 cents interim dividend and a final dividend of 0.5 cents fully franked delivering a full year dividend of 0.75 cents, a 50% increase on the 2008 financial year.

There have been significant achievements in the previous 12 months ensuring Empired is well placed to continue to grow both earnings per share and dividend payments in the coming year.

' 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)



Navigating an uncertain landscape The global financial crisis has caused a level of uncertainty not seen in many years. Some of the world's largest and longest standing organisations have not survived, locally in Australia many organisations have seen earnings dip significantly and many more have experienced loss making years.

I am pleased to report that during this period Empire's management took clear and concise action to ensure Empire reduced its risk profile and minimised the possible impact of many of the threats posed by the economic conditions.

This action included an expense reduction program, a focus on reducing debtor days, conservative cash management, reduced capital expenditure and reducing the risk of our variable costs through maximising the use of contractors in delivering peaks and troughs in demand.

The results of these actions speak for themselves with annualised expenses reduced by \$1.8 Million per annum, a reduction in debtor days and net cash holdings across the financial year increasing by \$1.2 Million.

' We have adopted a focussed and disciplined approach. '

A clear focus During times of uncertainty decisive action is required. However these short term adjustments to meet drastically changing market dynamics can overshadow strategic initiatives and a focus on continuing to deliver on the overarching vision.

Throughout this period we have adopted a focused and disciplined approach to ensure that we continue to deliver on Empired's stated objectives. Through optimising the use of staff down time and selective investment in internal projects that demonstrate sound short and mid-term return, Empired has continued to advance its operational and strategic positioning.

Empired's most valuable asset is its people and great improvements have been made in the management of Human Resources.

A new employee management program has been introduced that allows employees to work with their manager and Empired's HR department to map career path direction within Empired. These career path plans ensure that employees are clear on their growth prospects within Empired, salary expectations and that appropriate training and development plans are in place to ensure employee career goals are aligned to Empired's core objectives.

Initiatives such as this and others like it are designed to make our employees lives easier at Empired whilst maximising the efficiency and effectiveness of Empired's largest investment. Ongoing investment and advancement in human resources ensures that Empired retains its workforce and continues to attract the best talent in our industry.

We have implemented a range of systems and processes both in our Consulting Practices and our Managed Services business.

Operational improvements include the implementation of the Computer Associates operational management suite of tools and products, enhancements to our Change Management processes and improvements to our ITIL framework.

A new time management system across the entire business will ensure we better capture and effectively manage employee time, resulting in improved utilisation, increased realisation and improved billing accuracy and efficiency. This system is also critical in providing detailed management reporting, project reporting and project costing information.

Improvements to our project delivery framework and financial project controls have also resulted in reduced cost over runs and more efficient fixed price project delivery.

Tactically these initiatives will improve the quality of our services and organisational efficiency. Strategically they enhance our competitive advantage and enable Empired to successfully win and deliver larger contracts with larger clients.

CHAIRMAN & CEO REVIEW

(cont'd)

Delivering Results that count Since listing on ASX in October 2007 we have maintained a clear and consistent plan to grow Empired's IT services business. We have outlined key areas of growth through larger and longer contracts, growing contracted recurring revenue, increased regional diversification and greater industry spread.

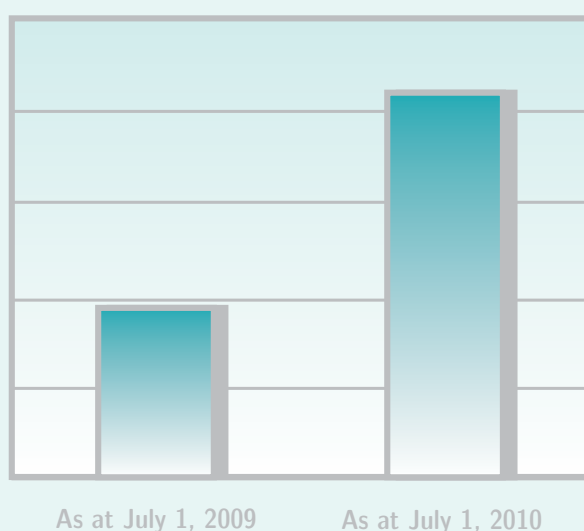
During the 2009 financial year Empired has secured a number of multi-million dollar contracts, more than in any previous year measured by total order value and volume of contracts secured. Of note was the \$11.6 Million contract secured with Main Roads in Western Australia which following signing has been successfully transitioned into full production support. Increases to the scope of work over the previous six months has seen the contracted recurring revenue value grow significantly plus a strong pipeline of project services to be delivered throughout the 2010 financial year.

Empired has demonstrated that it can not only win large government and corporate contracts but can successfully deliver against these contracts, grow the ongoing value of these engagements and secure significant upside through providing project services to these clients. Importantly our clients see great value in these services and are highly supportive of Empired and its vision.

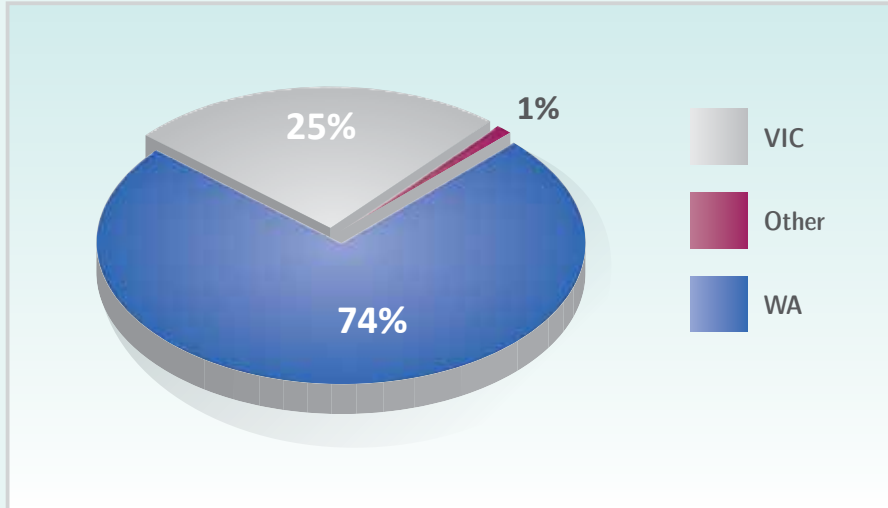
Empired is currently contesting in excess of \$50 Million in multi-million dollar recurring revenue managed services contracts. We are well placed and expect another record year.

The successful year we have had in building our long term contracted revenue base has translated directly into the largest increase in recurring revenue ever experienced by Empired. Contracted recurring revenue has grown by 101% during the financial year.

CONTRACTED REVENUE

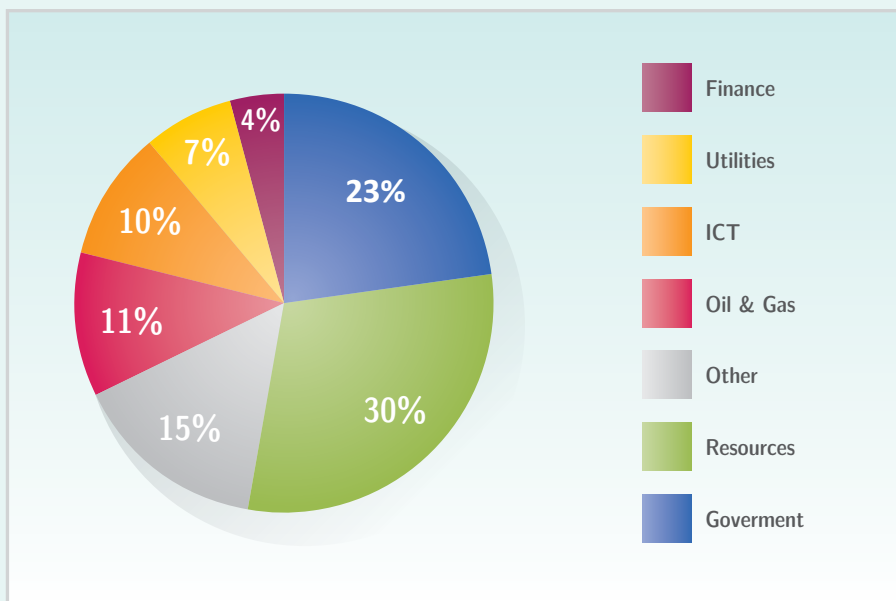


'Empired has secured a number of multi-million dollar contracts, more than in any previous year.'



We are pleased with the strong growth in recurring and long term contracted revenue particularly against the stark economic backdrop. This substantial increase further strengthens Empired's position to continue growing all key measures of its business in 2009 and provides improved revenue and earnings certainty in an uncertain time.

Victoria remains a key growth region for Empired. During the financial year Empired increased staff numbers, increased its client base and further enhanced its services breadth in Victoria. This has resulted in over 25% of Empired's total revenue being generated from Victorian Clients up from 18% the previous year.



CHAIRMAN & CEO REVIEW

(cont'd)



This significantly diversifies Empired's previous geographic concentration in Western Australia and provides a strong platform to further grow the region. To accelerate growth in Victoria, Empired has recently appointed a Business Development Executive devoted to the region where Empired is actively negotiating a number of multi-million dollar contracts.

Historically Empired's revenue has been weighted toward the resources sector. Over the previous seven years this sector has experienced rapid growth however in more recent times this sector has suffered from the impacts of the global financial crisis with demand for commodities reducing and the liquidity of debt and equity markets tightening.

During this difficult period Empired has retained and grown its revenue from the resources sector and remains bullish on its prospects of benefiting further on the recovery of the sector mid to long term.

Whilst this is positive, Empired management have been keenly aware of the risks associated with too larger exposure to any specific sector and have actively introduced a program to diversify revenue over the last two years. This program has successfully resulted in Empired now boasting a well diversified revenue base by sector with no single sector representing greater than 30% of annual revenue.

Importantly during this period Empired has grown its government presence from virtually zero three years ago to 23% of revenue in the 2009 financial year. State and Federal government represent the largest percentage of Australian ICT spend per annum. Empired is now well placed to leverage its Government references and industry experience to further grow its exposure to this lucrative sector.

' The Australian IT sector is a dynamic and growing market place. '

The year ahead

The broader Australian economic environment is demonstrating genuine signs of recovery, interest rates have reduced and seem to have stabilised, and GDP has accelerated in the quarter ending June 30 2009 when compared with the prior quarter. In addition to this many of the index's tracking the performance of the ASX have made considerable gains over the previous 5 months, general economic confidence has improved and client investment sentiment continues to grow.

More acutely, the Australian IT sector has weathered the down turn well and maintained modest growth rates over the previous year. We are again seeing demand for our services continuing to grow with clients now preparing to invest in projects that were placed on hold over the previous two years, increase the scale of their operations and again use technology to reduce risk, enhance productivity and efficiency and as a medium to drive new business opportunities.

Empired is poised to benefit from these improving market conditions. Throughout the downturn we retained the scale of our billable workforce, continued to invest in our core capabilities, improved our operational systems and grew the quality of our client base. In the first quarter of the 2010 financial year we have seen this translate into improved earnings, with increasing work levels driving utilisation of our staff up and demand for our core capabilities consistently improving.

Whilst early in the financial year, we have seen investments made in our managed services business already drive further improvements in contracted recurring revenue levels. We expect to continue to see contracted recurring revenue grow as a result of growth in our already strong client base, healthy sales opportunities, a focused engagement model and demand for IT managed services continuing to increase.

Our robust business model remains targeted at long term contracted recurring revenue geared toward core business systems and infrastructure that customers are required to operate and develop for the long term. This model allows Empired to develop long term relationships with its core customers, improving our understanding of their business and in turn allowing Empired to deliver greater value to our customers.

This all adds up to improved earnings, an exciting environment and a bright year ahead!

We would like to take this opportunity to sincerely thank our staff and partners for their outstanding contribution to Empired's growth and success in FY2009 against a difficult and challenging environment. Further we extend our appreciation and thanks to all our shareholders who have patiently supported Empired during a volatile and uncertain market. We look forward to delivering strong results and continuing to drive Empired forward throughout the year ahead. We would like to make a special thank you to our former director Mr David Taylor who unfortunately resigned due to his relocation from Perth. David's service to Empired over the last 4 years has been greatly appreciated and we wish him well for his future endeavours.



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 2009.

'Empired's greatest asset is its people.'

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.

DIRECTORS

Name	Age	Experience and special responsibilities
Mel Ashton Chairman	51	<p>Mel is a Fellow of the Australian Institute of Company Directors and a Fellow of the Institute of Chartered Accountants in Australia and has over 25 years corporate experience in a wide range of industries.</p> <p>Mel's other directorships include:</p> <p>National Boardmember of the Institute of Chartered Accountants in Australia. Chairman of Venture Minerals Limited Chairman of Gryphon Minerals Ltd Boardmember of the Hawaiian Group of Companies Boardmember of Cullen Wines (Australia) Pty Ltd</p>
David Taylor Non - executive Director (resigned 31 July 2009)	67	<p>David has extensive commercial experience with banking and marketing background.</p> <p>Since retiring as Head of the Bankwest Business Bank in 1999, David has progressed a career in corporate governance with appointments to the boards of listed and unlisted public companies and government business enterprises.</p> <p>He is immediate past Chairman of both Perth Market Authority and Forest Products Commission and is a non-executive director of Agrifood Skills Australia.</p> <p>David is a Fellow of the Australian Institute of Company Directors.</p>
Russell Baskerville Managing Director & CEO	31	<p>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.</p> <p>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.</p>

DIRECTOR'S REPORT (cont'd)

DIRECTORS (cont'd)

Name	Age	Experience and special responsibilities
Richard Bevan Non – executive Director	43	<p>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.</p> <p>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.</p> <p>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 strategic operational management, implementing organic growth strategies, business integration and raising capital in both public and private markets.</p> <p>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.</p>

COMPANY SECRETARIES

Name	Age	Experience and special responsibilities
Mark Waller CFO & Company Secretary	30	<p>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. Mark holds a degree in business from Curtin University majoring in Accounting and Business Law and is a Certified Practicing Accountant. Mark brings experience from running his own business in London to working for Ernst & Young.</p> <p>Mark is also a Non-executive Director of BigRedSky Limited.</p>
Jeremy King (LLB) Company Secretary (resigned December 2008)	35	<p>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.</p> <p>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.</p>

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.

There were no significant changes in the nature of the activities carried out during the year.

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

Dividends paid or declared during the financial year are as follows:

	2009 \$	2008 \$
(a) Dividends paid during the year		
Final 2008 fully franked dividend of 0.50cents per share (2007: nil)	231,112	-
Interim 2009 fully franked dividend of 0.025 cents per share (2008 :nil)	115,556	-
	346,668	-
(b) Dividends declared and not paid		
After the end of the financial year, the directors declared a fully franked dividend of 0.50 cents per share (2008: 0.50 cents). This dividend is not provided for.	231,112	231,112

OPERATING RESULTS FOR THE YEAR

The net profit after tax from continuing operations for the year for the consolidated entity is \$532,411 (2008: \$\$1,295,055).

LIKELY DEVELOPMENTS

Except as detailed in the Chairman and Managing Director's Review on pages 6 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 12 to the financial statements.

DIRECTOR'S REPORT (cont'd)

Unissued Shares

At the date of this report, there were 9,703,474 unissued ordinary shares under options. Refer to note 12 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

No share options were exercised during the financial year.

SHARE ISSUES DURING THE YEAR

No shares were issued during the year.

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 78.

NON-AUDIT SERVICES

Non-Audit services provided by the entity's Auditor can be found at note 25. 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 during 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', dependent 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 to 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 21st of November 2008 when shareholders approved an aggregated remuneration of \$300,000 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 2009 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 below details the fixed and variable components (%) of the executives of the company.

DIRECTOR'S REPORT (cont'd)

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 2009 financial year 50% of the STI cash bonus has been paid to executives during the 2010 financial year (2008: 50%).

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 below 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 \$0.30. For further details of the terms and conditions including the service and performance criteria that must be met refer to note 12.

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 \$75,000 per annum.

David Taylor – Non Executive Director

Terms of Agreement - appointed 21 December 2005, until terminated by either party.
 Fee – fixed \$50,000 per annum.

Richard Bevan – Non Executive Director

Terms of Agreement – appointed 31 January 2008, until terminated by either party.
 Fee – fixed \$50,000 per annum.

Mark Waller – Company Secretary and Chief Financial Officer

Terms of Agreement – commenced 18 April 2005, until terminated by either party.
 Salary – base \$183,500 per annum.
 Termination – one month's written notice or one month's remuneration in lieu.

Table 1: Directors and executives remuneration for the year ended 30 June 2009 and 30 June 2008

			Short term benefits		Post Employment	Long term benefits (LTI)	Total	% Performance related
			Salary & Fees	Cash STI	Superannuation	Equity Options		
Non-Executive Directors								
M. Ashton	2009		75,000	-	-	2,850	77,850	-
Chairman	2008		64,118	-	-	4,800	68,918	-
D. Taylor	2009		28,842	-	21,158	1,900	51,900	-
Non-executive Director	2008		5,000	-	34,750	2,800	42,550	-
R. Bevan	2009		43,201	-	2,763	-	50,714	-
Non-executive Director	2008		16,667	-	-	-	16,667	-

DIRECTOR'S REPORT (cont'd)

Table 1: Directors and executives remuneration for the year ended 30 June 2009 and 30 June 2008 (cont'd)

			Short term benefits		Post Employment	Long term benefits (LTI)	Total	% Performance related
			Salary & Fees	Cash STI	Superannuation	Equity Options		
Executive Directors								
	R. Baskerville	2009	240,000	¹ 60,000	-	5,700	305,700	19.60%
	Chief Executive	2008	238,200	60,000	-	8,800	307,000	19.50%
Key Management								
	M. Waller	2009	183,487	-	16,513	12,350	212,350	-
	Chief Financial Officer	2008	150,008	-	13,500	3,200	166,708	-

¹ Payable at 30 June 2009, paid September 2009

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
2009							
Non-Executive	M. Ashton	21/11/2008	150,000	0.019	2,850	2,850	3.66%
	D. Taylor	21/11/2008	100,000	0.019	1,900	1,900	3.66%
	R. Bevan	21/11/2008	250,000	0.019	4,750	4,750	9.37%
Executive	R. Baskerville	21/11/2008	300,000	0.019	5,700	5,700	1.56%
Key Management	M. Waller	21/11/2008	250,000	0.019	4,750	4,750	
		01/12/2008	400,000	0.019	7,600	7,600	5.81%
2008							
Non-Executive	M. Ashton	23/07/2007	150,000	0.008	2,850	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	12/01/2008	400,000	0.019	3,200	3,200	1.92%

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 2009
Russell Baskerville	12	12
Mel Ashton	12	12
David Taylor	12	12
Richard Bevan	12	11

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	8,533,240	2,850,000
Mel Ashton	150,000	1,000,000
David Taylor	60,000	700,000
Richard Bevan	-	250,000
Key Management		
Mark Waller	1,755,124	1,064,068

Signed in accordance with a resolution of directors.



Russell Baskerville
Managing Director
30th of September 2009

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 three directors who are appointed to ensure that the Company is run in the best interest of the 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 2009 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.

CORPORATE GOVERNANCE STATEMENT (cont'd)

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's 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 2009

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 it 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 2009

INCOME STATEMENT

For the Year Ended 30 June 2009

	Notes	CONSOLIDATED		PARENT	
		2009 \$	2008 \$	2009 \$	2008 \$
Revenue					
Rendering of services	3	32,633,570	18,924,137	32,633,570	18,924,137
Cost of Sales		(24,040,794)	(13,674,937)	(24,040,794)	(13,674,937)
Gross profit		8,592,776	5,249,200	8,592,776	5,249,200
Other Income	3	187,421	388,591	187,421	388,591
Legal expenses		(34,437)	(2,875)	(34,437)	(2,875)
Marketing expenses		(139,965)	(17,598)	(139,965)	(17,598)
Occupancy expenses		(648,238)	(305,904)	(648,238)	(305,904)
Finance costs		(164,252)	(61,370)	(164,252)	(61,370)
Employee benefits		(4,675,866)	(2,630,014)	(4,675,866)	(2,630,014)
Depreciation expenses		(254,076)	(149,932)	(251,818)	(145,048)
Other expenses	4	(2,053,504)	(1,498,252)	(2,055,762)	(1,503,136)
Profit before income tax		809,859	971,846	809,859	971,846
Income tax (expense)/benefit relating to ordinary activities	5	(277,448)	323,209	(277,448)	323,209
Profit / (Loss) after tax attributable to members of the Company		532,411	1,295,055	532,411	1,295,055
Earnings per share (cents per share)					
	Notes	2009	2008		
Basic earnings per share	6	1.15	2.99		
Diluted earnings per share	6	0.96	2.51		
Dividends per share (cents per share)	27	0.75	-		

This Income Statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 30 June 2009

	Notes	CONSOLIDATED		PARENT	
		2009	2008	2009	2008
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash and cash equivalents	7(i)	345,423	149,117	345,423	149,117
Trade and other receivables	8	6,460,415	8,104,872	6,460,415	8,104,872
Other current assets	9	145,936	153,323	145,936	153,323
Total Current Assets		6,951,774	8,407,312	6,951,774	8,407,312
Non-Current Assets					
Other financial assets	23	-	-	365,227	367,485
Property, plant and equipment	10	908,414	701,610	894,839	685,777
Intangible assets	11	3,948,764	3,827,164	2,081,806	1,960,206
Deferred tax asset	5	463,239	676,928	463,239	676,928
Total Non-Current assets		5,320,417	5,205,702	3,805,111	3,690,396
TOTAL ASSETS		12,272,191	13,613,014	10,756,885	12,097,708
LIABILITIES					
Current Liabilities					
Trade and other payables	13	4,254,843	5,173,466	4,254,843	5,173,466
Financial liabilities	14	264,358	1,433,903	264,358	1,433,903
Income tax payable	5	81,526	144,708	81,526	144,708
Provisions	15	574,293	391,014	574,293	391,014
Unearned revenue	16	565,355	202,917	565,355	202,917
Total Current Liabilities		5,740,375	7,346,008	5,740,375	7,346,008
Non-Current Liabilities					
Financial liabilities	14	178,563	254,795	530,214	606,446
Provisions	15	27,318	22,221	27,318	22,221
Deferred tax liability	5	195,917	88,894	195,917	88,894
Total Non-Current Liabilities		401,798	365,910	753,449	717,561
TOTAL LIABILITIES		6,142,173	7,711,918	6,493,824	8,063,569
NET ASSETS		6,130,018	5,901,096	4,263,061	4,034,139
EQUITY					
Issued capital	17	2,775,982	2,775,982	2,775,982	2,775,982
Employee equity benefits reserve		141,618	98,439	141,618	98,439
Retained profits		3,212,418	3,026,675	1,345,461	1,159,718
TOTAL EQUITY		6,130,018	5,901,096	4,263,061	4,034,139

This Balance Sheet should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

For the Year Ended 30 June 2009

	Notes	CONSOLIDATED		PARENT	
		2009	2008	2009	2008
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		34,902,624	12,502,533	34,902,624	12,502,533
Payments to suppliers and employees		(32,449,636)	(13,582,662)	(32,449,636)	(13,582,662)
Borrowing costs		(164,252)	(61,370)	(164,252)	(61,370)
Income tax paid		(19,918)	-	(19,918)	-
Interest received		104,778	388,591	104,778	388,591
Net cash flows (used in) from operating activities	7(iii)	2,373,596	(752,908)	2,373,596	(752,908)
Cash flows from investing activities					
Purchase of property, plant and equipment		(461,220)	(526,434)	(461,220)	(526,434)
Proceeds from sale of property, plant and equipment		136	-	136	-
Acquisition of businesses acquisitions (net of cash acquired)	20	(350,350)	(1,555,762)	(350,350)	(1,555,762)
Net cash flows (used in) from investing activities		(811,434)	(2,082,196)	(811,434)	(2,082,196)
Cash flows from financing activities					
Proceeds from issue of shares		-	3,002,333	-	3,002,333
Payment of share issue and capital raising costs		-	(494,401)	-	(494,401)
Dividends paid		(346,668)	-	(346,668)	-
Repayment of borrowings		(1,138,589)	(477,398)	(1,138,589)	(477,398)
Repayment of finance lease liabilities		(208,427)	(113,033)	(208,427)	(113,033)
Proceeds from borrowings		327,828	683,212	327,828	683,212
Net cash flows (used in) from financing activities		(1,365,856)	2,600,713	(1,365,856)	2,600,713
Net increase/(decrease) in cash and cash equivalents		196,306	(234,391)	196,306	(234,391)
Cash and cash equivalents at beginning of period		149,117	383,508	149,117	383,508
Cash and cash equivalents at end of period	7(i)	345,423	149,117	345,423	149,117

This Cash Flow Statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2009

	Attributable to equity holders of the parent			Total equity
	Issued capital	Retained earnings	Employee Equity Benefits Reserve	
	\$	\$	\$	\$
CONSOLIDATED				
At 1 July 2007	5,936,265	(3,455,031)	56,602	2,537,836
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	3,026,675	98,439	5,901,096
Profit for the year	-	532,411	-	532,411
Cost of share-based payments	-	-	43,179	43,179
Dividends paid to equity holders	-	(346,668)	-	(346,668)
At 30 June 2009	2,775,982	3,212,418	141,618	6,130,018

This Statement of Changes in Equity should be read in conjunction with accompanying notes.

	Attributable to equity holders of the parent			Total equity
	Issued capital	Retained Earnings	Employee Equity Benefits Reserve	
	\$	\$	\$	\$
PARENT				
At 1 July 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
Profit for the year	-	532,411	-	532,411
Cost of share-based payments	-	-	43,179	43,179
Dividends paid to equity holders	-	(346,668)	-	(346,668)
At 30 June 2009	2,775,982	1,345,461	141,618	4,263,061

This Statement of Changes in Equity should be read in conjunction with accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

1 CORPORATE INFORMATION

The financial report of Empired Ltd for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 30 September 2009.

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 authoritative 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.

(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').

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 2009. These are outlined in the table below.

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

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 2007-6	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	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 123 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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 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 Standard - Puttable Financial Instruments and Obligations arising on Liquidation	These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation	1 January 2009	These amendments are not expected to have any impact on the Group's financial report as the group does not have on issue or expect to issue any puttable financial instruments as defined by the amendments.	1 July 2009
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 July 2009
AASB 2007-10	Further amendments to Australian Accounting Standards arising from AASB 101	Redefines the composition of financial statements including the inclusion of a statement of comprehensive income.	1 January 2009	Refer to ASSB 101 below	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2]	Amendment to AASB2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purpose of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	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 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 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 (July 2008) (AASB 2008-5)	Details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project.	1 January 2009	No changes are expected to materially affect the Group.	1 January 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6)	Details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project.	1 July 2009	No changes are expected to materially affect the Group.	1 July 2009
AASB 2008-8	Amendments to Australian Accounting Standards - Eligible Hedged Items (AASB 139)]	This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations.	1 July 2009	No changes are expected to materially affect the Group.	1 July 2009

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 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 3	Business Combinations	This amendment incorporates IFRS 3, and enables reporting entities to continue to be compliant with IFRS's in relation to the presentation of financial statements	1 January 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	This amendment incorporates the amended IAS 127, and enables reporting entities to continue to be compliant with IFRS's in relation to the presentation of financial statements	1 July 2009	The amendment may have an impact on the disclosures included in the Group's financial report	1 July 2009
AASB 101	Presentation of Financial Statements	Redefines the composition of financial statements including the inclusion of a statement of comprehensive income	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.	1 July 2009
AASB Interpretation 15	Agreements for the Construction of Real Estate	Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118.	1 January 2009	Management does not believe this will represent a change in policy for the Group.	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 16	Hedges of a Net Investment in a Foreign Operation	Applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation.	1 October 2008	The interpretation is not expected to impact the Group.	1 July 2009
AASB Interpretation 15		This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit and loss	1 July 2009	The interpretation is not expected to impact the Group.	

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 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 23).

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.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interests is greater than cost, the surplus is immediately recognised in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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 Instruments

All financial assets and financial liabilities 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.

Classification depends on the purpose for which the investments were acquired, and is determined at initial recognition.

(i) *Loans and receivables*

Loans and receivables are measured at fair value. If a receivable is uncollectible, it is written off against the allowance account for trade receivables.

(ii) *Other financial assets*

Non-listed investments for which fair value cannot be reliably measured are carried at cost and tested for impairment.

(iii) *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost.

Impairment

At each reporting date the group assesses whether investments have been impaired. Impairment losses are recognised in the income statement.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

(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, and annual 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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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:

- (i) The Empired Employee Share Option Plan (ESOP2), which provides to all employees excluding directors, and
- (ii) 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 Black Scholes model further details are given in note 12.

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').

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 6).

(p) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Leases (cont'd)

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.

(q) 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 brought 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.

(r) 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.

(s) Foreign currency transactions

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the income statement

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

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 22.

ii. Provision for Impairment of Receivables

Included in trade receivables at reporting date is an amount receivable from sales made to Commander Integrated Networks Pty Ltd during the financial year amounting to \$8,477.55. Commander went into administration in August 2008. While there is inherent uncertainty in relation to the outcome of the administration, the directors understand that the full amount of the debt is unlikely to be recoverable from the administrators, and no provision for impairment has been made.

3 REVENUES

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Sales Revenue				
Services	32,633,570	18,924,137	32,633,570	18,924,137
	32,633,570	18,924,137	32,633,570	18,924,137
Other Revenue				
Interest	14,788	35,261	14,788	35,261
Government grants	-	13,330	-	13,330
Management Fee	60,468	340,000	60,468	340,000
Exchange gain	82,643	-	82,643	-
Other	29,522	-	29,522	-
	187,421	388,591	187,421	388,591
	32,820,991	19,312,728	32,820,991	19,312,728

4 EXPENSES

Profit before income tax includes the following specific expenses:

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Operating Lease Rentals				
Minimum lease payments	6,492	1,623	6,492	1,623
	6,492	1,623	6,492	1,623
Other Expenses				
Insurance	133,341	60,816	133,341	60,816
Travel	205,078	130,912	205,078	130,912
Administration	862,150	567,898	862,150	567,898
Other	846,443	737,003	848,701	741,887
	2,047,012	1,496,629	2,049,270	1,501,513
	2,053,504	1,498,252	2,055,762	1,503,136

5 INCOME TAX

(a) Income tax expense

The major components of income tax expense are:

Current income tax payables	81,526	144,708	81,526	144,708
Deferred income tax relating to origination and reversal of temporary differences	320,712	(467,917)	320,712	(467,917)
Adjustments	(124,790)	-	(124,790)	-
Income tax expense / (benefit) reported in income statement	277,448	(323,209)	277,448	(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)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

5 INCOME TAX (cont'd)

(c) Reconciliation between aggregate tax expense recognised in the income statement and tax expenses calculated per the statutory income tax rate

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Prima facie tax on operating profit calculated at 30%	242,958	291,554	242,958	291,554
	242,958	291,554	242,958	291,554
Add tax effect of:				
Non-deductible expenses	26,266	17,754	26,266	17,754
Entertainment	-	5,731	-	5,731
Other non-deductible expenses	14,242	-	14,242	-
Other	(6,018)	-	(6,018)	-
Adjustments for prior year losses now brought to account	-	(638,248)	-	(638,248)
Aggregate income tax expense (income)	277,448	(323,209)	277,448	(323,209)

(d) Recognised deferred tax assets and liabilities

Deferred income tax balances at 30 June relate to the following:

	CONSOLIDATED	
	2009	2008
	\$	\$
<i>(i) Deferred Tax Liabilities</i>		
Prepaid expenses	(3,268)	(6,340)
Invoices in dispute	(7,764)	(659)
Work in progress	(184,885)	(81,895)
Gross deferred tax liabilities	(195,917)	(88,894)
Set-off deferred tax liabilities	195,917	88,894
Net deferred tax liabilities	-	-
<i>(ii) Deferred Tax Assets</i>		
Provisions:		
Annual leave	172,288	117,304
Long service leave	8,195	6,667
Accrued superannuation	83,199	80,172
Equity raising costs	88,631	120,117
Borrowing costs	4,445	5,393
Tax losses	106,481	347,276
Gross deferred tax assets	463,239	676,928
Set-off deferred tax liabilities	(195,917)	(88,894)
Net deferred tax assets	267,322	588,034

5 INCOME TAX (cont'd)

(e) Tax consolidation

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

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

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

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

(f) Income Tax Payable

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Income Tax Payable	81,526	144,708	81,526	144,708
	81,526	144,708	81,526	144,708

6 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	
	2009	2008
	\$	\$
Net profit attributable to ordinary equity holders of the parent	532,411	1,295,055
	2009 Thousands	2008 Thousands
Weighted average number of ordinary shares for basic earnings per share	46,222	43,294
Effect of dilution:		
Share options	9,458	8,326
Weighted average number of ordinary shares adjusted for the effect of dilution	55,680	51,620

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

7 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	
	2009	2008	2009	2008
	\$	\$	\$	\$
Cash at bank and in hand	239,203	42,897	239,203	42,897
Term deposit	106,220	106,220	106,220	106,220
	345,423	149,117	345,423	149,117

(ii) Financing facilities available

At reporting date the following facilities were available:

Bank overdraft facility	3,000,000	-	3,000,000	-
Invoice Discounting Facility	-	1,548,725	-	1,548,725

The invoice discounting facility with a limit of \$2,500,000 (2008: \$2,500,000) was converted to a bank overdraft facility in December 2008. The funds established with this facility are \$3,000,000.

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

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Operating profit\ (loss) after income tax	532,411	1,295,055	532,411	1,295,055
Depreciation	254,076	149,932	251,818	145,049
Write down\ (up) of investment in subsidiary	-	-	2,258	4,883
Option Plan Expense	43,179	61,647	43,179	61,647

7 CASH AND CASH EQUIVALENTS (cont'd)

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

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:				
(Increase)/decrease in net trade debtors	1,777,227	(6,422,003)	1,777,227	(6,422,003)
(Increase)/decrease in other receivables	210,525	(213,858)	210,525	(213,858)
(Increase)/decrease in other assets	213,689	(490,138)	213,689	(490,138)
(Increase)/decrease in prepayments	7,386	(59,959)	7,386	(59,959)
(Increase)/decrease in unbilled income	(343,295)	(113,974)	(343,295)	(113,974)
Increase/(decrease) in trade creditors	16,939	2,256,763	16,939	2,256,763
Increase/(decrease) in audit fees	-	(13,000)	-	(13,000)
Increase/(decrease) in other creditors	(1,202,276)	1,966,574	(1,202,276)	1,966,574
Increase/(decrease) in unexpired interest	2,365	19,218	2,365	19,218
Increase/(decrease) in accrued liabilities	373,737	379,782	373,737	379,782
Increase/(decrease) in unearned income	362,438	399	362,438	399
Increase/(decrease) in income tax	(63,181)	144,708	(63,181)	144,708
Increase/(decrease) in provision for employee entitlements	188,376	285,946	188,376	285,946
Net cash used in operating activities	2,373,596	(752,908)	2,373,596	(752,908)

(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
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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

8 TRADE AND OTHER RECEIVABLES (CURRENT)

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Trade receivables	5,840,633	7,617,860	5,840,633	7,617,860
	5,840,633	7,617,860	5,840,633	7,617,860
Term deposit receivable	3,500	3,500	3,500	3,500
Unbilled income	616,282	272,987	616,282	272,987
Hire purchase funds receivable	-	210,358	-	210,358
Withholding tax receivable	-	167	-	167
	6,460,415	8,104,872	6,460,415	8,104,872

Trade receivables are non-interest bearing and are generally on 30-day terms. (For further details on credit risk refer to Note 18).

9 OTHER ASSETS

Current

Prepayments	145,936	153,323	145,936	153,323
Total current other assets	145,936	153,323	145,936	153,323

10 PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Buildings and Improvements				
At cost	19,752	19,752	19,752	19,752
Accumulated depreciation	(13,041)	(12,243)	(13,041)	(12,243)
Total Buildings and Improvements	6,711	7,509	6,711	7,509
Plant and Equipment				
Plant and equipment				
At cost	1,019,228	706,169	913,501	600,442
Accumulated depreciation	(664,359)	(404,823)	(572,207)	(314,929)
	354,869	301,346	341,294	285,513
Leased plant and equipment				
At cost	544,921	442,099	544,921	442,099
Accumulated depreciation	(553,222)	(403,290)	(463,328)	(318,236)
Total Property, Plant & Equipment	701,610	325,108	685,777	304,389

Assets are held as security for hire purchase contracts.

Plant and Equipment

Movements during the year:

Opening balance 1 July 2008	701,610	325,108	685,777	304,389
Additions	461,559	526,434	461,559	526,434
Disposals	(659)	-	(659)	-
Depreciation expense	(254,076)	(149,932)	(251,818)	(145,048)
Closing balance 30 June 2009	908,414	701,610	894,839	685,777

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

11 INTANGIBLE ASSETS

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	
Goodwill at cost	3,948,764	3,827,164	2,081,806	1,960,206
Accumulated impaired losses	-	-	-	-
	<u>3,948,764</u>	<u>3,827,164</u>	<u>2,081,806</u>	<u>1,960,206</u>

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	
Balance at the beginning of the year	3,827,164	1,866,958	1,960,206	-
Additions	121,600	1,960,206	121,600	1,960,206
Accumulated amortisation and impairment	-	-	-	-
	<u>3,948,764</u>	<u>3,827,164</u>	<u>2,081,806</u>	<u>1,960,206</u>

Goodwill has been tested for impairment as detailed at note 22. No impairment provision was required.

12 EMPLOYEE BENEFITS

(a) Empired employee share option plan

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 the 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 the ESOP2 include:

- (a) any vested options that are unexercised on the fifth anniversary of their grant date will expire; and
- (b) upon exercise, options will be settled in ordinary shares of Empired Limited on the basis of one share for each option exercised.

On the 1 August 2008, 953,814 options were granted with a fair value as follows:

Options	Fair value per option	Exercise price per option	Expiry Date
600,000	\$0.040	\$0.30	1 August 2011
176,907	\$0.054	\$0.25	1 August 2012
176,907	\$0.051	\$0.30	1 August 2012
<hr/> 953,814			

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

The fair value of the options are estimated at the date of grant using the Black Scholes model taking into account the terms and the conditions upon which the options were granted. The following table gives the assumptions made in determining the fair value of the options granted:

	1 August 2008 (600,000) options	1 August 2008 (353,814) options
Dividend yield (%)	4.16%	4.16%
Expected volatility (%)	83%	83%
Risk-free interest rate (%)	5.98%	5.98%
Expected life of option (years)	3 years	4 years
Option exercise price (\$)	\$0.30	\$0.25, \$0.30
Share price at grant date (\$) (Net Asset Backing)	\$0.12	\$0.12

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

12 EMPLOYEE BENEFITS (cont'd)

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

	2009 No.	2009 WAEP	2008 No.	2008 WAEP
Outstanding at the beginning of the year	676,476	\$0.35	676,476	\$0.35
Granted during the year	953,814	\$0.29	-	-
Forfeited during the year	(63,082)	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(163,734)	-	-	-
Outstanding at the end of the year	1,403,474	\$0.313	676,476	\$0.35
Exercisable at the end of the year	700,773	\$0.26	-	-

The 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 2009 is 1.89 years (2008: 3 years).

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

Expiry Date	Exercise price	2009 No.	2008 No.
31 July 2010	\$0.30	78,383	94,364
31 July 2010	\$0.35	76,081	91,593
31 July 2010	\$0.40	76,081	91,593
22 February 2012	\$0.30	94,070	132,981
22 February 2012	\$0.35	94,066	132,977
22 February 2012	\$0.40	94,061	132,968
1 August 2011	\$0.30	600,000	-
1 August 2011	\$0.25	145,366	-
1 August 2012	\$0.30	145,366	-
Total		1,403,474	676,476

12 EMPLOYEE BENEFITS (cont'd)

(b) Empired executive share option plan

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 the ESOP will vest on the sooner of one of the following conditions being satisfied:

- (i) on the second anniversary of the grant of the options;
- (ii) 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 the 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.

During the financial year the below options were granted to executives:

Options	Fair value per option	Exercise price per option	Expiry date
1,050,000	\$0.019	\$0.30	21 November 2011
1,200,000	\$0.019	\$0.30	12 January 2011
<u>2,250,000</u>			

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

The fair value of the options are estimated at the date of grant using the Black Scholes model. The following table gives the assumptions made in determining the fair value of the options granted in the year to 30 June 2009.

	21 November 2008 (1,050,000) options	1 December 2008 (1,200,000) options
Dividend yield (%)	7.5%	7.5%
Expected volatility (%)	83%	83%
Risk-free interest rate (%)	4.62%	4.26%
Expected life of option (years)	3 years	3 years
Option exercise price (\$)	\$0.30	\$0.30
Share price at grant date (\$) (Net Asset Backing)	\$0.066	\$0.066

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

12 EMPLOYEE BENEFITS (cont'd)

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

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

	2009 No.	2009 WAEP	2008 No.	2008 WAEP
Outstanding at the beginning of the year	7,350,000	\$0.32	3,885,000	\$0.25
Granted during the year	2,250,000	\$0.35	3,600,000	\$0.40
Forfeited during the year	(1,500,000)		-	
Exercised during the year	-		(11,666)	
Expired during the year	(100,000)		(123,334)	
Outstanding at the end of the year	8,000,000	\$0.32	7,350,000	\$0.32
Exercisable at the end of the year	2,288,345	\$ 0.25	-	-

As at 30 June 2009 there were 8,000,000 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 2009 is 1.39 years (2008: 2.39 years).

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

Expiry Date	Exercise price	2009 No.	2008 No.
23 November 2009	\$0.25	-	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	300,000	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	2,400,000	3,600,000
1 December 2011	\$0.40	1,200,000	-
21 November 2011	\$0.30	1,050,000	-
Total		8,000,000	7,350,000

12 EMPLOYEE BENEFITS (cont'd)

c) Empired purchaser share option plan

Empired Limited issued share options as part of the acquisition of the Quadrant Group. Details of the options granted can be found below.

	2009 No.	2009 WAEP	2008 No.	2008 WAEP
Outstanding at the beginning of the year	300,000	\$0.40	-	-
Granted during the year	100,000	\$0.30	300,000	\$0.40
Forfeited during the year	(100,000)		-	
Exercised during the year	-		-	
Expired during the year	-		-	
Outstanding at the end of the year	300,000	\$0.366	300,000	\$0.40
Exercisable at the end of the year	300,000	\$0.366	300,000	\$0.40

The fair value of the options are estimated at the date of grant using a Black Scholes model. The following table gives the assumptions made in determining the fair value of the options granted in the year to 30 June 2009.

	1 December 2008
Dividend yield (%)	7.5%
Expected volatility (%)	83%
Risk-free interest rate (%)	4.26%
Expected life of option (years)	3 years
Option exercise price (\$)	\$0.40
Share price at grant date (\$) (Net Asset Backing)	\$0.066

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

13 TRADE AND OTHER PAYABLES (CURRENT)

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Trade payables	2,563,998	2,547,060	2,563,998	2,547,060
Superannuation payable	277,328	267,237	277,328	267,237
GST payable	406,773	645,853	406,773	645,853
PAYG payable	-	1,076,817	-	1,076,817
Accrued liabilities	980,214	606,476	980,214	606,476
Credit cards payable	19,859	25,948	19,859	25,948
Other	6,671	4,075	6,671	4,075
	<u>4,254,843</u>	<u>5,173,466</u>	<u>4,254,843</u>	<u>5,173,466</u>

Included in the above are aggregate amounts payable to the following related parties:

Owing to directors and director related entities	<u>22,447</u>	<u>26,292</u>	<u>22,447</u>	<u>26,292</u>
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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 23.

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.

14 FINANCIAL LIABILITIES

	Effective interest rate %	CONSOLIDATED		PARENT	
		2009	2008	2009	2008
		\$	\$	\$	\$
Current					
Obligations under finance leases and hire purchase contracts (note 19)		192,310	164,981	192,310	164,981
Obligations under premium funding contracts		72,048	56,948	72,048	56,948
Invoice discounting facility		-	951,274	-	951,274
Deferred consideration		-	260,700	-	260,700
		<u>264,358</u>	<u>1,433,903</u>	<u>264,358</u>	<u>1,433,903</u>
Non-current					
Obligations under finance leases and hire purchase contracts (note 19)		178,563	254,795	178,563	254,795
Loan from Subsidiary		-	-	351,651	351,651
		<u>178,563</u>	<u>254,795</u>	<u>530,214</u>	<u>606,446</u>

Hire Purchase Contracts

Hire purchase contract maturity ranges from June 2009 to June 2012.

14 FINANCIAL LIABILITIES (cont'd)

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Finance facilities available				
At reporting date, the following financing facilities had been negotiated and were available:				
Total facilities:				
- Invoice discounting facility	-	2,500,000	-	2,500,000
- Bank overdraft facility	3,000,000	-	3,000,000	-
Facilities used at reporting date				
- Invoice discounting facility	-	(951,275)	-	(951,275)
- Bank overdraft facility	-	-	-	-
Facilities unused at reporting date	3,000,000	1,548,725	3,000,000	1,548,725

The invoice discounting facility was converted to a bank overdraft facility in December 2008. The facility is reviewed on an annual basis with financial covenants of EBITDA and net tangible assets tested quarterly.

The Bank of Western Australia holds a fixed floating charge over company assets. Maximum prospective liability set out in the charge is ten million dollars.

15 PROVISIONS

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current				
Employee benefits	574,293	391,014	574,293	391,014
	574,293	391,014	574,293	391,014
Non-current				
Employee benefits	27,318	22,221	27,318	22,221
	27,318	22,221	27,318	22,221

16 UNEARNED REVENUE

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current				
Unearned Revenue	565,355	202,917	565,355	202,917
	565,355	202,917	565,355	202,917

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

17 ISSUED CAPITAL AND RESERVES

	CONSOLIDATED		PARENT	
	2009 \$	2008 \$	2009 \$	2008 \$
Ordinary Shares				
Issued and fully paid	2,775,982	2,775,982	2,775,982	2,775,982
Issued and fully paid	2,775,982	2,775,982	2,775,982	2,775,982

	No.	Price (\$)	Value (\$)	No.	Price (\$)	Value (\$)
Movement in ordinary shares on the issue						
At 1 July 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
	-		-	-		-
At 30 June 2009	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. These shares have no par value.

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.

There are no externally imposed capital requirements.

Options

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 12). 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.

18 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, foreign currency 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 7.

Cash at bank accounts attract a variable interest rate of 2.75% (2008: 5.95%) based on the cash balance at year end. Cash on deposit attracts a variable interest rate of 3.71% (2008: 5.00%) at the end of the year.

At 30 June 2009, if interest rates had changed by +/- 1% from the year end rates above, after tax profits would have been \$2,412 (2008: \$1,040) lower/higher.

The Company constantly monitors its interest rate exposure.

▪ *Foreign currency risk*

The Group's exposure to foreign currency risk is minimal. Trade debtor and trade creditor transactions are entered into in foreign currency and fluctuations in these currencies may have a minor impact on the Company's financial results.

The exchange rates are closely monitored within the Company.

▪ *Commodity price risk*

The Group's exposure to price risk is minimal.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

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

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.

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:

	2009	2008
	\$	\$
Loans and receivables (note 8)	5,840,633	7,617,860
	<hr/>	<hr/>
	5,840,633	7,617,860
	<hr/>	<hr/>

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

	2009	2008
	\$	\$
Not past due	5,046,582	4,713,666
Past due 0-30 days	272,285	1,625,075
Past due 31-60 days	34,186	390,545
Past due 60 days	487,580	888,574
	<hr/>	<hr/>
	5,840,633	7,617,860
	<hr/>	<hr/>

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 and hire purchase contracts.

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

19 FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is considered to approximate their carrying values.

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:

2009	Floating	Fixed	Fixed	Non-interest	Carrying	Weighted
	interest rate	Interest	Interest	bearing	amount as	average
		Rate	Rate		per balance	effective
		1 year or	Over 1		sheet	interest rate
		less	to 5 years			
	2009	2009	2009	2009	2009	2009
	\$	\$	\$	\$	\$	
Financial Assets						
Term deposit	-	3,500	-	-	3,500	1.250%
Term deposit	-	106,220	-	-	106,220	4.69%
Cash	238,300	-	-	-	238,300	2.75%
Loans and receivables	-	-	-	6,456,915	6,456,915	-
Total financial assets	238,300	109,720	-	6,456,915	6,804,935	
Financial liabilities – at amortised cost						
Overdraft Facility	-	-	-	-	-	-
Accounts payables	-	-	-	2,563,998	2,563,998	-
Hire purchase	-	192,310	178,563	-	370,873	10.128%
Short term loans	-	72,048	-	-	72,048	6.215%
Total financial liabilities	-	264,358	178,563	2,563,998	3,006,919	

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

	2009
	\$
Not past due	2,555,921
Past due 0-30 days	-
Past due 31-60 days	-
Past due 60 days	8,078
	<u>2,563,998</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

19 FINANCIAL INSTRUMENTS (cont'd)

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>i) Financial Assets</i>						
Term deposit	-	3,500	-	-	3,500	1.250%
Term deposit	-	106,220	-	-	106,220	6.74%
Cash	42,397	-	-	-	42,397	5.95%
Loans and receivables	-	-	-	8,101,372	8,101,372	-
Total financial assets	42,397	109,720	-	8,101,372	8,253,489	-
<i>ii) Financial liabilities – at amortised cost</i>						
Invoice discounting facility	-	951,274	-	-	951,274	11.08%
Accounts payables	-	-	-	2,547,060	2,547,060	-
Hire purchase	-	164,981	254,795	-	419,776	9.42%
Short term loans	-	56,948	-	260,700	317,648	6.93%
Total financial liabilities	-	1,173,203	254,795	2,807,760	4,235,758	-

iii) The aging of the Group's trade payables at 30 June 2008:

	2008 \$
Not past due	2,245,236
Past due 0-30 days	275,651
Past due 31-60 days	26,140
Past due 60 days	33
	<u>2,547,060</u>

20 BUSINESS COMBINATIONS

Reconciliation of carrying amounts of goodwill from business combinations during the year:

	CONSOLIDATED		PARENT	
	2009 \$	2008 \$	2009 \$	2008 \$
Carrying amount at the beginning of the financial year	3,827,164	1,866,958	1,960,206	-
Additions				
AMCOM	24,000	-	24,000	-
Quadrant Group	88,907	1,753,140	88,907	1,753,140
Commander Australia Limited – WA ICT Business	8,693	207,066	8,693	207,066
	-	-	-	-
	<u>3,948,764</u>	<u>3,827,164</u>	<u>2,081,806</u>	<u>1,960,206</u>

Summary of total cash outlaid in relation to Business Combinations:

	Notes	CONSOLIDATED		PARENT	
		2009 \$	2008 \$	2009 \$	2008 \$
Total cash outflow/(inflow)					
AMCOM	20(a)	-	-	-	-
Quadrant Group	20(b)	349,607	1,471,625	349,607	1,471,625
Commander Australia Limited WA ICT Business	20(c)	743	84,137	743	84,137
Total cash outflow	7	<u>350,350</u>	<u>1,555,762</u>	<u>350,350</u>	<u>1,555,762</u>

(a) AMCOM

On the 1 July 2008 Empired acquired from AMCOM IT Services, assigned customer contracts. The purchase price for this acquisition was \$24,000, and has been retained by Empired Limited as a credit of purchase of goods from which AMCOM is to use within twelve months from acquisition date.

	\$
Purchase consideration	24,000

During the 2008 financial year Empired acquired two businesses, Quadrant Group and Commander Australia Limited's WA ICT business. Details of both these acquisitions are documented in the 2008 Annual Report.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

20 BUSINESS COMBINATIONS (cont'd)

(b) 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.

During the current financial year Empired Limited made payments of \$349,607 of which \$260,700 related to deferred consideration for the acquisition of Quadrant group and the balance stamp duty on the acquisition.

(c) Commander Australia Limited – WA ICT Business

A review of the fair value of the net identifiable assets acquired was made during the financial year. It was determined that the customer contract obligations (unearned revenue) were understated by \$7,950. Payment of stamp duty for this acquisition was also made. As a result the goodwill from the acquisition of Commander Australia – WA ICT Business has been revised to \$215,759 (2008: \$207,066)

Details of the acquisition are as follows:

	\$
Purchase consideration	
Cash paid	30,000
Direct costs relating to acquisition	54,880
Total purchase consideration	<u>84,880</u>
Fair value of net identifiable assets acquired (refer below)	130,879
Goodwill	<u>215,759</u>

21 COMMITMENTS AND CONTINGENCIES

No contingent assets or liabilities as at 30 June 2009.

Commitments for Expenditure

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
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	220,785	200,933	220,785	200,933
Later than one year but not later than five years	191,359	279,719	191,359	279,719
Less: unexpired charges	(41,271)	(60,876)	(41,271)	(60,876)
	<u>370,873</u>	<u>419,776</u>	<u>370,873</u>	<u>419,776</u>
Hire Purchase				
Current (refer note 14)	192,310	164,981	192,310	164,981
Non Current (refer note 14)	178,563	254,795	178,563	254,795
Total Hire Purchase	<u>370,873</u>	<u>419,776</u>	<u>370,873</u>	<u>419,776</u>

21 COMMITMENTS AND CONTINGENCIES (cont'd)

Commitments for Expenditure (cont'd)

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
B. 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	76,525	60,893	76,525	60,893
Later than one year but not later than five years	-	-	-	-
Less: unexpired charges	(4,477)	(3,945)	(4,477)	(3,945)
	<u>72,048</u>	<u>56,948</u>	<u>72,048</u>	<u>56,948</u>
Loan Repayments				
Current (refer note 14)	72,048	56,948	72,048	56,948
Non Current (refer note 14)	-	-	-	-
Total Loan Repayments	<u>72,048</u>	<u>56,948</u>	<u>72,048</u>	<u>56,948</u>

C. Operating Leases

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

LOCATION	STATE	TERMS
459 Murray Street	PERTH	1 year to 30 June 2010 with two options to extend for 1 year.
Lvl 13 256 Adelaide Terrace	PERTH	Expires on 30 September 2010.
470 Collins Street	MELBOURNE	Expires on 16 August 2009, monthly agreement from 17 August 2009.

Their commitment can be seen below:

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
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	451,370	483,072	451,370	483,072
Later than one year but not later than five years	115,353	511,845	115,353	511,845
	<u>566,723</u>	<u>994,917</u>	<u>566,723</u>	<u>994,917</u>
Bank Guarantee in relation to rental premises at 256 Adelaide Terrace:				
Maximum amount the bank may call	106,220	106,220	106,220	106,220

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

22 IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations (refer Note 11 and 20) 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. Value in use is calculated based on the present value of cash flow projections covering a five-year period.

The discount rate applied to cash flow projections is 9.75% (2008: 11.08%) using a 1.4% growth rate (2008: 4.2%) 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	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
Carrying amount of goodwill	3,948,764	3,827,164	3,948,764	3,827,164	2,081,806	1,960,206

There is no impairment losses in the current or prior period.

23 INVESTMENT IN CONTROLLED ENTITY

Other Financial Assets	Country of Incorporation	% Equity Interest		Investment (\$)	
		2009	2008	2009	2008
		%	%	\$	\$
Tusk Technologies Pty Ltd	Australia	100	100	365,227	367,485
				<u>365,227</u>	<u>367,485</u>

The balance of the Tusk Technologies Pty Ltd loan as at 30 June 2009 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 2009. The revaluation downwards is recorded in the income statement. Other than this related party loan there are no other related party transactions requiring disclosure.

24 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.

Final dividend declared for the year 2009	Total amount
Final ordinary dividend for the year ended 30 June 2009 of 0.5 cents per fully paid share	\$231,112

Mr David Taylor resigned as a director of the company on the 31 July 2009.

25 AUDITORS' REMUNERATION

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
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	46,375	19,175	46,375	19,175
▪ other services in relation to the entity and any other entity in the consolidated entity:				
- tax compliance	-	-	-	-
- special audits required by regulators	7,790	-	7,790	-
	54,165	19,175	54,165	19,175
Amounts received or due and receivable by other auditors for:				
▪ other non-audit services	23,000	20,210	23,000	20,210
▪ an audit or review the financial report of subsidiary entities	-	37,595	-	37,595
	77,165	76,980	77,165	76,980

26 KEY MANAGEMENT PERSONNEL

(a) 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) Remuneration of Key Management Personnel

Information regarding key management personnel compensation for the year ended 30 June 2009 is provided in the remuneration section of the directors' report on pages 18 to 23.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

26 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:

	Balance at beg of period	Granted as Remuneration	Options Exercised	Net Change Other #	Balance at end of period	Not Vested & Not Exercisable	Vested & Exercisable
30 June 2009	01-Jul-08				30-Jun-09		
Directors							
R. Baskerville	2,550,000	300,000	-	-	2,850,000	1,800,000	1,050,000
M. Ashton	850,000	150,000	-	-	1,000,000	750,000	250,000
D. Taylor	600,000	100,000	-	-	700,000	450,000	250,000
R. Bevan	-	250,000	-	-	250,000	250,000	-
Executives							
M. Waller	814,038	650,000	-	(400,000)	1,064,038	325,692	738,346
Total	4,814,038	1,450,000	-	(400,000)	5,864,038	3,575,692	2,288,346
	Balance at beg of period	Granted as Remuneration	Options Exercised	Net Change Other #	Balance at end of period	Not Vested & Not Exercisable	Vested & Exercisable
30 June 2008	01-Jul-07				30-Jun-08		
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	-
Total	2,364,038	2,450,000	-	-	4,814,038	4,814,038	-

26 KEY MANAGEMENT PERSONNEL (cont'd)

(e) Shareholdings of Directors and Executives

Shares held in Empired Limited

30 June 2009	<i>Balance 01-Jul-08</i>		<i>Granted as Remuneration</i>		<i>On Exercise of Options</i>		<i>Net Change Other</i>		<i>Balance 30-June-09</i>	
	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>
Directors										
Mr. R Baskerville	5,892,778	-	-	-	-	-	2,582,411	-	8,475,189	-
Mr. M Ashton	150,000	-	-	-	-	-	-	-	150,000	-
Mr. D Taylor	-	-	-	-	-	-	60,000	-	60,000	-
Mr. R Bevan	-	-	-	-	-	-	-	-	-	-
Total	6,042,778	-	-	-	-	-	2,642,411	-	8,685,189	-
30 June 2008	<i>Balance 01-Jul-07</i>		<i>Granted as Remuneration</i>		<i>On Exercise of Options</i>		<i>Net Change Other</i>		<i>Balance 30-June-08</i>	
	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>
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	-

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 2009	<i>Balance 01-Jul-08</i>		<i>Granted as Remuneration</i>		<i>On Exercise of Options</i>		<i>Net Change Other</i>		<i>Balance 30-June-09</i>	
	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>
Specified Executives										
M. Waller	1,618,624	-	-	-	-	-	136,500	-	1,755,124	-
Total	1,618,624	-	-	-	-	-	136,500	-	1,755,124	-
30 June 2008	<i>Balance 01-Jul-07</i>		<i>Granted as Remuneration</i>		<i>On Exercise of Options</i>		<i>Net Change Other</i>		<i>Balance 30-June-08</i>	
	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>	<i>Ord</i>	<i>Pref</i>
Specified Executives										
M. Waller	1,483,811	-	-	-	-	-	134,813	-	1,618,624	-
Total	1,483,811	-	-	-	-	-	134,813	-	1,618,624	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009

27 DIVIDENDS

A dividend of 0.5c per ordinary share has been declared by the Board. Record date will be the 30th of September 2009.

	CONSOLIDATED	
	2009	2008
	(\$)	(\$)
(a) Distributions Paid		
2008 final franked dividend of 0.50 cents, paid 8 October 2008 (2007: nil)	231,112	-
Interim franked dividend of 0.25 cents, paid 7 April 2009 (2008: nil)	115,556	-
	<hr/>	<hr/>
	346,668	-
(b) Dividends Proposed		
Proposed final 2009 fully franked ordinary dividend of 0.5 cents, payment date 14 October 2009 (2008: 0.50 cents)	231,112	231,112
(c) Franking Credit Balance		
Balance of franking account at year end at 30% available to the shareholders of Empired Limited for subsequent financial years	108,300	175,346

28 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 2009 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 2009.

On behalf of the Board



Russell Baskerville
Managing Director
30th of September 2009

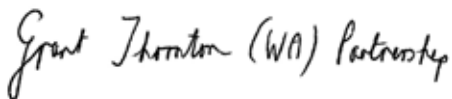
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF EMPIRED LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Empired Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON (WA) PARTNERSHIP



J W VIBERT
Partner

Perth, 30 September 2009

**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, which comprises the balance sheet as at 30 June 2009, 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.

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.

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.

Independence

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

Auditor's opinion

In our opinion:

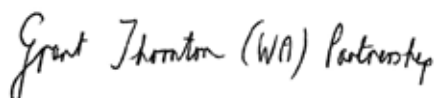
- a the financial report of Empired Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 23 of the directors' report for the year ended 30 June 2009. 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 2009, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON (WA) PARTNERSHIP



J W VIBERT
Partner

Perth, 30 September 2009

Grant Thornton (WA) Partnership ABN 17 735 344 518, a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389.

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation.

SHAREHOLDING ANALYSIS

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 2009.

a. Distribution of Shareholding

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	%
1 - 1,000	3	0.01
1,001 - 5,000	15	0.11
5,001 - 10,000	51	0.86
10001 - 100,000	188	14.25
100,001 - MAX	75	84.77
Total	332	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	6,993,639	15.13
Mr Gregory Leach	3,504,225	7.58

c. Twenty Largest Shareholders

The names of the twenty largest shareholders are:

NAME	NUMBER OF SHARES HELD	%
Baskerville Investments Pty Ltd <Baskerville Family Account>	6,993,639	15.13
Mr Gregory Leach	3,504,225	7.58
Mr John Alexander Bardwell	2,002,500	4.33
Mr David Cawthorn	2,000,000	4.33
Uniplex Constructions Pty Ltd <Wesville Super fund A/C>	1,902,414	4.12
Ms Kym Garreffa	1,306,167	2.83
Mr Fraser Campbell	1,200,000	2.60
Mr John Alexander Bardwell & Mrs Paola Bardwell <Bardwell Super Fund A/C>	1,000,000	2.16
Jameker Pty Ltd	900,000	1.95
Cornela Pty Ltd <MacLiver Family Fund A/C>	847,333	1.83
Mr Gregory Bandy	800,000	1.73
Mr Mark Waller	781,644	1.69
Two Tops 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
GRD Limited	650,000	1.41
Locope Pty Ltd	635,000	1.37
Trovex Pty Ltd	635,000	1.37
Mr Anthony James Farrell	603,019	1.30
Mr Glenn Thomas Baskerville	550,759	1.19
Total	28,407,357	61.46

The twenty members holding the largest number of shares together held a total of 61.46% of issued capital.

SHAREHOLDING ANALYSIS

d. Issued Capital

(i) Ordinary Shares

The fully paid issued capital of the company consisted of 46,222,314 shares held by 332 shareholders.

Each share entitles the holder to one vote.

(ii) Unquoted Equity

The options issued under the company share options plans consisted of 9,703,474 options held by 77 holders.

e. On-Market Buy-Back

There is no current on-market buy-back.

f. Company Secretary

The Company Secretaries is Mr Mark Waller.

g. Registered Office

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

h. Other Offices

The other offices are:

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

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

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.

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 2009 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, 23 November 2009.
 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