

Corum Group Limited
ABN 25 000 091 305

Annual Report 2009



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Chairman's Letter to Shareholders

Corum Group Limited incurred an operating loss after tax of \$10,488,000 for the year ended 30 June 2009. This result was consistent with the prior year except for:

- Impairment of assets, goodwill on consolidation and intellectual property totalling \$6,115,000 (2008: \$1,260,000), and
- The recognition of a liability (\$2,392,000) to Westpac Banking Corporation Limited ("Westpac") being the balance of the minimum payment due under the Transaction Processing Agreement; included in Borrowing Costs.

The liability to Westpac is not a new liability but is one that arises pursuant to the Transaction Processing Agreement with Westpac. There have been a number of continuing breaches of that loan agreement and Directors have acknowledged that the debt cannot be extinguished by the end of its current term with the Company's anticipated level of transactions. The Directors have therefore chosen to recognise the costs as a liability.

Together with the Company's majority shareholder, Lujeta Pty Ltd, the Non- executive Directors formed the view that the operating performance and impairment of assets, together with the breaches of the Westpac loan agreement were unsustainable and unacceptable. Accordingly a decision was made to re-structure the Board of the Company to have more independence and to not renew the contracts with the then Executive Directors which expired on about 31 August 2009. Both of those Executive Directors have resigned and a new managing director, Geoff Broomhead, and a new independent Non-executive Director, Peter Bradfield, have been appointed to take firm control of the management of the company and to set the direction for the Company's future. Shareholders may expect that one additional independent Non-executive Director will be appointed prior to the Annual General Meeting.

The directors are aware that the company needs to remedy the breaches of a number of the covenants contained in its loan agreement with Westpac. If these breaches are not remedied then Westpac could take control of the Company. Directors are preparing a new strategy and business plan for the Company and this will be shared with Westpac. I am confident that the Company will return to positive cash flow in the near term and be in a position to commence amortising the Westpac debt. The Directors fully expect that Westpac will accept this business plan and will continue to offer its support to the Company's future initiatives.

Shareholders should not expect any substantial return on their investment in the foreseeable future whilst the Directors attempt to improve the operational results and financial condition of the Company and satisfy commitments to Westpac.



Michael Shehadie
Chairman

29th September 2009

Directors' Report

The Directors of Corum Group Limited ("Corum" or the "Company") present their report together with the financial statements on the company and its controlled entities ("Consolidated Group" or the "Group") for the financial year ended 30 June 2009.

Directors

The names of Directors in office at any time during or since the end of the year are:

Michael John Shehadie – Non-executive Director and Chairman

Mark William Winnett – Managing Director – resigned 31 August 2009

Craig Allen Glendenning – Executive Director – resigned 2 September 2009

Geoffrey John Broomhead – Managing Director – appointed 1 September 2009

Peter John Bradfield – Non-executive Director – appointed 1 September 2009

Michael Rowley – Non-executive Director – resigned 26 November 2008

Company Secretary

The following persons held the position of Company Secretary during or since the end of the year:

Julian Michael Sydney Walter - MA, MBA, FCA – resigned 1 September 2009.

George Nicolaou – B Eco, CA – appointed 1 September 2009. Mr Nicolaou has been in public practice since 1995.

Principal Activities

The principal activities of the Consolidated Group during the financial year were:

- the operation of a retail technology business providing point-of-sale software, pharmaceutical dispensing software, computer hardware and support services to the pharmacy industry;
- the operation of a transaction processing business providing electronic bill payment, funds transfer and processing services to the real estate industry and other corporate and local government clients; and
- the provision of accredited training services to the real estate industry.

Operating Results

The operating loss of the Consolidated Group after providing for income tax amounted to \$10,488,000 (2008: loss \$3,122,000). This included impairment of assets including goodwill, development costs and plant and equipment of \$6,115,000 (2008: \$1,260,000).

Review of Operations

Corum Health Services is a provider of dispense and point of sale software applications to Australian pharmacies and has maintained a solid platform and stable market share during the year. Revenue of \$13,329,000 (2008: \$13,071,000) was an increase of 2.0% on the previous year generating a segment profit of \$1,157,000 (2008: \$1,195,000).

Corum Health Services continues to invest in developing its software products and maintaining a competitive position in a mature market offering improved services to its customer base.

Corum eCommerce offers individuals and businesses the opportunity to effect payment of their rent, utilities, local government fees and commercial obligations via electronic methodologies. For the year ended 30 June 2009 revenues of \$6,170,000 (2008: \$5,163,000) generated a net loss of \$7,838,000 (2008: loss \$833,000). The operating result was determined after recognising the write off of goodwill on consolidation \$4,542,000 (2008: \$Nil), impairment of capitalised development costs and intellectual property \$1,100,000 (2008: \$1,260,000) and impairment of fixed assets \$473,000 (2008: \$Nil).

Corum Training is a Registered Training Organisation providing training services to the real estate industry. This segment generated revenues during the year of \$518,000 (2008: \$378,000) incurring a segment loss of \$153,000 (2008: loss \$36,000).

Corporate costs net of interest revenue resulted in loss for the year of \$3,654,000 (2008: \$3,448,000).

Dividends Paid or Recommended

No dividends were paid during the year and the Board is recommending that no dividend be paid.

Corporate Capital and Financing

The Company recognises its priority is to generate net cash inflows, in particular to satisfy its existing loan commitments.

Shareholders continued supporting the Company financially during the year whereby:

- In July 2008 3,350,000 ordinary shares were issued at 10 cents per share as satisfaction of interest due on the Convertible Notes.
- In July 2008 6,439,590 ordinary shares were issued at 6.5 cents per share under a non-renounceable rights issue of one share for every seven shares held.
- In October 2008 1,675,000 ordinary shares were issued at 10 cents per share as satisfaction of interest due on the Convertible Notes.
- In December 2008 shareholders and associates contributed \$1,952,611 to acquire an equal number of 12% Unsecured Redeemable Convertible Notes which will mature in December 2009.
- In May 2009 125,000,000 ordinary shares were issued at 5 cents per share upon the redemption of the outstanding 2005 Convertible Notes. A further 9,551,290 ordinary shares were issued at 5 cents per share to satisfy the interest due on these Convertible Notes.

Going Concern

Directors have prepared these financial statements on the basis that the Company is a going concern and will be able to operate unimpeded, notwithstanding the fact that the Company has breached covenants under the existing loan facility with Westpac Banking Corporation Limited (“Westpac”) and that Westpac has not waived the breaches.

Directors acknowledge that Westpac may call on the debt, but at the date of this report Westpac has taken no action and continues to provide the loan facility to the Company. Directors are currently preparing for Westpac a Business Plan which will support the Group generating positive cash flows for the 2009/10 financial year.

The primary focus of Directors, most of who have only been appointed recently, is to improve the Westpac relationship and place the Company on a solid financial foundation.

The new Unsecured Redeemable Convertible Notes issued in December 2008 are repayable to the Holder on the maturity date unless the Note is converted earlier into ordinary shares. As Convertible Note Holders have subordinated their debt to Westpac’s loan facility no Convertible Notes may be redeemed for cash without Westpac’s authority.

Significant Changes in State of Affairs

In the opinion of the Directors, during the financial year under review there were no significant changes in the state of affairs of the Consolidated Group that are not otherwise disclosed in the Directors' Report or the accompanying financial statements.

Future Developments, Prospects and Business Strategies

Disclosure of information regarding likely developments in the operations of the Consolidated Group in future financial years and the expected results from these initiatives other than that disclosed in this Report may result in unreasonable prejudice to the Consolidated Group. Accordingly, no further information is included in this Report.

Events Subsequent to Reporting Date

On 31 August 2009 the Managing Director, Mark Winnett, resigned from the Company.

On 1 September 2009 Geoffrey Broomhead was appointed Managing Director and Peter John Bradfield was appointed as an Independent Non-executive Director of the Company.

On 2 September 2009 Craig Glendenning tendered his resignation as an Executive Director.

Other than the matters discussed above, 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.

Information on Directors

Michael John Shehadie, LLB

Non-executive Chairman and member of the Audit Committee.

Mr. Shehadie is a solicitor of over 25 years' standing and has an interest in 200,000 options to subscribe for shares in the Company and an option to convert an unsecured convertible note into 2,000,000 shares in the Company.

Mark William Winnett

Managing Director and a member of the Audit Committee – resigned 31 August 2009.

Mr. Winnett has held senior executive positions in a range of industries with a predominant focus on the IT and telecommunications sectors. He has particular skills in business development, marketing and human resource management.

Mr. Winnett has an interest in 19,434,852 shares in the Company.

Craig Allen Glendenning

Executive Director – resigned 2 September 2009.

Mr. Glendenning has over 20 years experience in the electronic payments industry, including executive appointments with Commonwealth Bank, Mondex and Visa International.

Mr. Glendenning has an interest in 1,000,000 options to subscribe for shares in the Company.

Meetings of Directors

The number of Directors' meetings held, including meetings of the Audit Committee, and the number of meetings attended by each Director were:

	Directors' Meeting		Audit Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Michael Shehadie	4	4	1	1
Mark Winnett	4	4	1	1
Craig Glendenning	4	4	-	-
Michael Rowley	1	1	-	-

Options and rights

No options or rights were granted during the financial year.

There have not been any alterations to the terms or conditions of any options granted since the grant dates.

Options on issue

At the date of this report the following options were on issue to subscribe for ordinary shares in the Company:

Number	Expiry Date	Exercise Price
7,800,000	24/01/2010	\$0.40
1,350,000	28/11/2010	\$0.12
200,000	30/11/2010	\$0.12
250,000	28/02/2011	\$0.25
1,500,000	3/11/2011	\$0.15
1,000,000	4/03/2012	\$0.26
2,400,000	16/12/2012	\$0.26

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

Indemnification of Directors and Officers

The Company has insured Directors and officers against all liabilities that may arise from their position except where the liability arises out of conduct involving lack of good faith. During the year the Company paid premiums of \$22,353 in respect of an insurance policy for Directors' and officers' liability.

Non-audit Services

During the year Hall Chadwick, the Company's auditor, has performed certain other services in addition to their statutory duties amounting to \$118,000. Directors are satisfied that the provision of these non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirement imposed by the Corporations Act 2001. The amounts paid or payable to the auditor for audit and non-audit services are included in Note 4 of this report.

Auditor's Independence Declaration

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 12.

Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars unless otherwise stated.

Remuneration Report

Since the end of the financial year the Company has commenced restructuring the Board of Directors with the intention of creating a Board consisting of three non-executive directors and one executive director. All new non-executive director appointments will be independent directors. The three non-executive directors will be members of the Remuneration and Nomination Committee chartered under guidelines issued by the Australian Securities Exchange.

Statements included in this Remuneration Report relate to policies and procedures applicable to the financial year.

Remuneration Policy

All Non-executive Directors determine the remuneration policy applicable to each Executive Director and the Company Secretary as and when required. Both Executive Directors were employed during the year on contracts which were agreed and established in prior years. No Directors received performance based remuneration.

The Chairman continued to receive director's fees of \$80,000 per annum whilst all other Non-executive Directors received no director fees.

A resolution will be put to shareholders for approval at the 2009 Annual General Meeting to approve a maximum aggregate limit on non-executive directors' fees of \$300,000. This will become effective once approved and will be reviewed annually. The Board seeks to set aggregate remuneration at a level which provides the consolidated group with the ability to attract and retain directors of the highest calibre, while incurring a cost which is acceptable to shareholders. The Board will consider fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive Directors do not receive performance based bonuses, however given the relatively low director's fees paid in cash, the Board believes that the issue of share options to Non-executive Directors on occasion more accurately reflects the commitments and responsibilities of office.

The Company Secretary, subsequent to a change in responsibilities, commenced a new contract from 1 January 2009.

During the year the Managing Director determined the remuneration policy applicable to all non director executives and employees.

In future the emphasis of the Company's performance based remuneration strategy will be to align the goals of management with those of shareholders whilst taking into account the Company's financial circumstances. It is the view of the Board that the most effective way to align management and shareholder goals is through the provision of share option incentives that correlate contingent remuneration to increases in shareholder value. The extent and conditions regarding these incentives are determined by the Board on an annual basis with regard to the Company's strategic and financial goals, and market benchmarks.

Sales positions have a component of their remuneration package tied to the generation of sales through the existence of commission agreements. In line with the Company's strategic and financial goals, this method of performance based remuneration allows the Company to increase its sales and marketing effort whilst preserving a low fixed cost structure.

Consolidated Group Performance

Whilst the Consolidated Group continued to achieve operating losses during the year, both executive directors agreed to reduce temporarily their contracted emoluments.

Executive Directors' Employment Contracts

The provision of services by the Company's executive directors are formalised in contracts of engagement between the company and the executives' related corporate entity.

Mark Winnett, the Managing Director, was contracted to the Company under an agreement between the Company and Winmark Investment Group Pty Limited ("Winmark"). Under the agreement:

- Winmark was paid \$1,621 + GST for each business day that Mark Winnett worked in his capacity as Managing Director of Corum Group Limited.
- As from November 2008 Winmark agreed to reduce the rate payable to \$1,421 + GST per business day.
- As from January 2009 Winmark agreed to a further reduction reducing the rate payable to \$480 + GST per business day.
- Subsequent to year end Mark Winnett tendered his resignation and this agreement was terminated. No termination payments were applicable.

Craig Glendenning, the Executive Director – Technical Strategy, was contracted to the Company under an agreement between the Company and Glencurr Consulting Pty Limited ("Glencurr"). Under this agreement:

- Glencurr was paid \$1,433 + GST for each business day that Craig Glendenning worked in his capacity as Executive Director of Corum Group Limited.
- As from November 2008 Glencurr agreed to reduce the rate payable to \$1,233 + GST per business day.
- Subsequent to year end Craig Glendenning tendered his resignation and this agreement was terminated. No termination payments were applicable.

Employment Contracts

The Group's executive employment contracts generally stipulate a one month resignation period. The Company may terminate an employment contract without cause by providing not less than the stipulated period of notice or by making payment in lieu of notice; redundancy payments may or may not apply depending on the circumstances. Termination payments are not generally payable on resignation or dismissal for serious misconduct.

Key Management Personnel

Key management personnel are considered to be those persons with authority and responsibility for planning, directing and controlling the activities of the Consolidated Group and which includes all Directors.

Key management personnel for the 2009 financial year were:

Michael Shehadie	Non-executive Chairman
Mark Winnett	Managing Director
Craig Glendenning	Executive Director – Technical Strategy
Michael Rowley	Non-executive Director
Julian Walter	CFO/Company Secretary (2008), Company Secretary (2009)
Glenn Brown	Chief Financial Officer (commenced 27 October 2008)
Geoffrey Arnold	National Sales Manager – Health
Samantha McLean	General Manager eCommerce
Leah Ford	General Manager Product Development
Vanessa Law	General Manager Customer Service

Remuneration details for the year ended 30 June 2009:

Details of the nature and amount of each major element of the compensation of key management personnel of the Consolidated Group are:

2009	Short term benefits		Post employment benefits	Share based payments	Performance related	
	Salaries and fees	Bonuses	Super-annuation	Options	Total	%
	\$	\$	\$	\$	\$	%
Michael Shehadie	80,000	-	-	-	80,000	-
Mark Winnett	273,039	-	-	-	273,039	-
Craig Glendenning	318,662	-	-	-	318,662	-
Michael Rowley	-	-	-	-	-	-
Julian Walter	138,782	-	-	-	138,782	-
Glenn Brown	125,853	-	11,327	-	137,180	-
Geoffrey Arnold	149,448	40,000	13,729	-	203,177	20
Samantha McLean	184,870	-	-	4,196	189,066	2
Leah Ford	124,000	40,000	13,745	4,196	181,941	24
Vanessa Law	124,000	40,000	13,999	-	177,999	22
	1,518,654	120,000	52,800	8,392	1,699,846	

2008	Short term benefits		Post employment benefits	Share based payments	Performance related	
	Salaries and fees	Bonuses	Super-annuation	Options	Total	%
	\$	\$	\$	\$	\$	%
Michael Shehadie	60,000	-	-	-	60,000	-
Mark Winnett	379,701	-	-	-	379,701	-
Craig Glendenning	324,188	-	-	32,527	356,715	9
Michael Rowley	91,602	-	-	-	91,602	-
Julian Walter	321,047	-	-	-	321,047	-
Geoffrey Arnold	150,000	10,460	13,091	4,196	177,747	8
Samantha McLean	177,920	-	-	-	177,920	-
Leah Ford	131,152	-	11,804	-	142,956	-
Vanessa Law	115,833	10,000	11,325	4,196	141,354	10
	1,751,443	20,460	36,220	40,919	1,849,042	

This report of the Directors, incorporating the Remuneration Report, is signed in Sydney in accordance with a resolution of the Board of Directors



Michael Shehadie
Chairman



Geoffrey Broomhead
Managing Director

Dated: 29th day of September 2009

CORUM GROUP LIMITED
ABN 25 000 091 305
AND CONTROLLED ENTITIES

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CORUM GROUP LIMITED
AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, Sydney, NSW 2000



DREW TOWNSEND
Partner
Date: 29 September 2009

Sydney

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Drew Townsend
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Gino Malacco
Paul Leroy
Steven Gladman
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Blair Pleash
David Ross
Graham Webb
Domenic Calabretta

Associates

Lyle Vallance
Bill Petrovski
Sally Soad

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Consolidated Income Statement for year ended 30 June 2009

	Note	Consolidated		Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Revenue from rendering of services	2	18,909	17,400	2,809	1,800
Revenue from sale of goods	2	870	1,033	-	-
Other revenue	2	322	403	1,199	223
Total revenues		20,101	18,836	4,008	2,023
Materials and consumables used		(2,768)	(2,321)	-	-
Employee expenses	3	(13,177)	(12,345)	(2,976)	(3,072)
Occupancy costs	3	(1,126)	(944)	(202)	(197)
Legal expenses		(54)	(401)	56	(227)
Marketing expenses		(1,227)	(803)	(90)	(96)
Depreciation and amortisation expense	3	(1,583)	(1,146)	(187)	(211)
Borrowing costs	3	(3,099)	(480)	(3,093)	(468)
Share based payments	3	(645)	(670)	(645)	(670)
Write down of intellectual property	3	-	(1,260)	-	-
Impairment of plant and equipment	3	(473)	-	-	-
Impairment of development costs	3	(1,100)	-	-	-
Impairment of goodwill on consolidation	3	(4,542)	-	-	-
Provision against loan to joint venture		-	(15)	-	-
Other expenses	3	(795)	(1,573)	(402)	(673)
Loss before income tax expense		(10,488)	(3,122)	(3,531)	(3,591)
Income tax expense	5	-	-	-	-
Loss attributable to members of the parent entity		(10,488)	(3,122)	(3,531)	(3,591)
Earnings per share					
		\$	\$		
Basic loss per share	6	(0.084)	(0.033)		
Diluted loss per share	6	(0.067)	(0.015)		

The consolidated income statement should be read in conjunction with the notes to the financial statements.

Consolidated Balance Sheet as at 30 June 2009

	Note	Consolidated		Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	701	1,578	342	173
Trade and other receivables	9	614	1,415	115	63
Inventories	10	145	109	-	-
Other assets	11	3,542	3,968	29	55
Total Current Assets		5,002	7,070	486	291
NON-CURRENT ASSETS					
Trade and other receivables	9	-	-	9,775	9,208
Financial assets	12	-	-	5,264	5,264
Plant and equipment	13	447	1,161	323	391
Intangible assets	14	13,383	18,726	14	14
Other assets	15	179	56	86	-
Total Non-Current Assets		14,009	19,943	15,462	14,877
Total Assets		19,011	27,013	15,948	15,168
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	16	8,957	7,041	3,559	1,737
Deferred revenue	16	78	2,036	-	-
Borrowings	17	6,919	11,742	6,919	11,742
Provisions	18	798	859	93	144
Total Current Liabilities		16,752	21,678	10,571	13,623
NON-CURRENT LIABILITIES					
Borrowings	17	30	68	30	68
Provisions	18	206	158	17	18
Total Non-Current Liabilities		236	226	47	86
Total Liabilities		16,988	21,904	10,618	13,709
Net Assets		2,023	5,109	5,330	1,459
EQUITY					
Issued capital	19	85,219	77,835	85,219	77,835
Reserves	20	319	301	319	301
Accumulated losses		(83,515)	(73,027)	(80,208)	(76,677)
Total Equity		2,023	5,109	5,330	1,459

The consolidated balance sheet should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity for year ended 30 June 2009

	Ordinary Share Capital \$'000	Option Reserve \$'000	Retained Losses \$'000	Total \$'000
Consolidated Group				
Balance at 30 June 2007	77,223	230	(69,905)	7,548
Share based payments	670	-	-	670
Capital raising costs	(58)	-	-	(58)
Recognition of share option expense	-	71	-	71
Loss attributable to members of parent entity	-	-	(3,122)	(3,122)
Balance at 30 June 2008	77,835	301	(73,027)	5,109
Shares issued during the year	7,004	-	-	7,004
Share based payments	645	-	-	645
Capital raising costs	(265)	-	-	(265)
Recognition of share option expense	-	18	-	18
Loss attributable to members of parent entity	-	-	(10,488)	(10,488)
Balance at 30 June 2009	85,219	319	(83,515)	2,023
Company				
Balance at 30 June 2007	77,223	230	(73,086)	4,367
Share based payments	670	-	-	670
Capital raising costs	(58)	-	-	(58)
Recognition of share option expense	-	71	-	71
Loss attributable to members of parent entity	-	-	(3,591)	(3,591)
Balance at 30 June 2008	77,835	301	(76,677)	1,459
Shares issued during the year	7,004	-	-	7,004
Share based payments	645	-	-	645
Capital raising costs	(265)	-	-	(265)
Recognition of share option expense	-	18	-	18
Loss attributable to members of parent entity	-	-	(3,531)	(3,531)
Balance at 30 June 2009	85,219	319	(80,208)	5,330

The accompanying notes form part of these financial statements.

Consolidated Cash Flow Statement for year ended 30 June 2009

	Note	Consolidated		Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		21,554	22,366	3,160	2,159
Payments to suppliers and employees		(21,769)	(19,568)	(4,799)	(1,984)
Interest received		187	223	1,134	60
Interest and other finance costs paid		(707)	(480)	(707)	(468)
Net cash generated by / (used in) operating activities	25a	(735)	2,541	(1,212)	(233)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales of plant and equipment		-	89	-	-
Loan to joint venture		-	(15)	-	-
Payment for intangible assets		(1,278)	(2,135)	-	(4)
Payment for plant and equipment		(364)	(1,004)	(119)	(290)
Net cash (used in) investing activities		(1,642)	(3,065)	(119)	(294)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of securities (shares and convertible notes)		8,357	(58)	8,357	(58)
Repayment of convertible notes		(6,700)	-	(6,700)	-
Proceeds from borrowings		261	579	261	579
Repayment of borrowings		(375)	(469)	(375)	(469)
Loans to ex-Director Associates		(43)	(30)	(43)	(30)
Net cash provided by financing activities		1,500	22	1,500	22
Net increase / (decrease) in cash held		(877)	(502)	169	(505)
Cash at beginning of the financial year		1,578	2,080	173	678
Cash at end of the financial year	8	701	1,578	342	173

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for year ended 30 June 2009

This financial report includes the consolidated financial statements and notes of Corum Group Limited and controlled entities ('Consolidated Group'), and the separate financial statements and notes of Corum Group Limited as an individual parent entity ('Company'). Corum Group Limited is a listed public company, incorporated and domiciled in Australia.

Note 1: Statement of significant accounting policies

a) Basis of preparation

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

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

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

Reporting basis and conventions

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

Going concern basis

Directors have prepared these financial statements on the basis that the Company is a going concern and will be able to operate unimpeded, not with standing the fact that the Company has breached covenants under the existing loan facility with Westpac Banking Corporation Limited and that Westpac has not waived the breaches.

Directors acknowledge that Westpac may call on the debt, but at the date of this report Westpac has taken no action and continues to provide the loan facility to the Company. Directors are currently preparing for Westpac a Business Plan which will support the Group generating positive cash flows for the 2009/10 financial year.

The primary focus of Directors, most of who have only been appointed recently, is to improve the Westpac relationship and place the Company on a solid financial foundation.

The new Unsecured Redeemable Convertible Notes issued in December 2008 are repayable to the Holder on the maturity date unless the Note is converted earlier into ordinary shares. As Convertible Note Holders have subordinated their debt to Westpac's loan facility no Convertible Notes maybe redeemed for cash without Westpac's authority.

Notes to the Financial Statements for year ended 30 June 2009

b) Principles of consolidation

A controlled entity is any entity over which Corum Group Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 24 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

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 for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as 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. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

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 interest is greater than cost, the surplus is immediately recognised in profit or loss.

c) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Rendering of services

Revenue from rendering services is recognised in proportion to the stage of contract completion when the stage of contract completion can be reliably measured.

Deferred maintenance revenue is recognised by amortising the payment on a straight-line basis over the life of the contract as the maintenance services are performed.

Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Notes to the Financial Statements for year ended 30 June 2009

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield of the financial asset.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the balance sheet inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

e) Foreign currency transactions and balances

Foreign currency transactions during the year are translated into Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are recognised in the income statement in the financial period in which the exchange rate changes.

f) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings and finance lease charges.

Borrowing costs are expensed as incurred unless they relate to qualifying assets.

Notes to the Financial Statements for year ended 30 June 2009

g) Taxation

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

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

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

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

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

The Company and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under the tax consolidation regime. Therefore each company in the Group is responsible for their own income tax payable. No deferred tax assets have been recognised at the financial year end.

Notes to the Financial Statements for year ended 30 June 2009

h) Impairment of assets

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

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

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

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of less than one year.

j) Receivables

Trade debtors that are to be settled within normal trading terms are carried at amounts due. The recoverability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

k) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring inventories and bringing them to their present location and condition.

l) Financial assets

Investments in controlled entities are carried in the Company's balance sheet at the lower of cost and recoverable amount.

Other unlisted investments are carried at the lower of cost and recoverable amount.

m) Leased assets

Leases under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

Operating leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Lease incentives are recognised as liabilities. Lease rental payments are allocated between rental expense and reduction of the liability, on a straight line basis over the period of the lease.

Notes to the Financial Statements for year ended 30 June 2009

n) Plant and equipment

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

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

o) Depreciation and amortisation

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment losses.

Such depreciable assets are depreciated using the diminishing value method over their estimated useful lives, with the exception of leased assets which are amortised over the term of the relevant lease or, where it is likely the consolidated entity will obtain ownership of the asset, the useful life of the asset.

Estimated useful lives, residual values and depreciation rates and methods are reviewed annually. When changes are made, adjustments are reflected prospectively in current and future periods only. The following estimated useful lives are used in the calculation of depreciation:

Leasehold improvements	1 to 5 years
Plant and equipment	1 to 12 years

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

p) Intangibles

Intellectual Property

Intellectual property rights comprise various applications, intellectual knowledge and know-how. The value of intellectual property consists of the capitalised cost incurred in acquiring intellectual property less amortisation.

Goodwill

Goodwill and goodwill on consolidation represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment loss is written off immediately in the income statement.

Research and Development Costs

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

q) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within established terms.

Notes to the Financial Statements for year ended 30 June 2009

r) Borrowings

Bank and other loans are shown in the balance sheet at their principal amounts. Interest payable is accrued at the contracted rate and expensed in the income statement. Notes payable are recognised when issued at the net proceeds received, with the premium or discount on issue amortised over the period to maturity.

s) Employee benefits

Wages, salaries and annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date. These are calculated as undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at the reporting date, including related on-costs such as workers compensation insurance and payroll tax.

Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows resulting from employees' services provided to reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs over the vesting periods and is discounted to present value using a probability weighted discount rate reflecting staff turnover history. The unwinding of the discount is treated as long service leave expense.

Equity-settled compensation

Where shares or options are issued to employees as remuneration, the difference between the fair value of the bonus element of the shares or options issued and the consideration received, if any, from the employee is expensed over the vesting period. The fair value of the shares or options issued is recorded in contributed equity.

Superannuation schemes

The Company and controlled entities contribute to several employee superannuation funds. The contributions are recognised as an expense. The Company and its controlled entities have no legal or constructive obligation to fund any deficit in any fund.

t) Provisions

A provision is recognised when there are legal or constructive obligations as a result of past events and it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability most closely matching the expected future payments. The unwinding of the discount is treated as part of the expense related to the particular provision.

Notes to the Financial Statements for year ended 30 June 2009

u) Financial instruments issued

Where financial instruments, such as preference shares and convertible notes issued by the Company, give rise to a contractual obligation to deliver cash to the holder, they are classified as liabilities to the extent of the obligation.

Where financial instruments are redeemable but either the holder or the Company has an option to convert them into ordinary shares of the Company, they are classified as compound financial instruments. The liability component is measured as the present value of the principal and interest obligations, discounted at the prevailing market rate for a similar liability that does not have an equity component. The residual of the net proceeds received on issuing the instrument is classified as equity.

Interest expense on compound instruments is determined based on the liability component and includes the actual interest paid to holders. The liability accretes over the life of the instruments to the original face value if they are not previously converted. There are no dividends associated with the equity component.

v) Investments in associates and joint ventures

Investments in associated companies and joint ventures are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the Group's share of post-acquisition reserves of its associates and joint ventures.

w) Share based payments

Equity settled share based payments in consideration for goods and services provided by third parties are determined on a basis equal to the value of goods and services received.

The Fair Value of such shares is charged to the Income Statement at the issued price of the shares based on the Black Scholes method of measuring the fair value.

x) Critical accounting estimates

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

Impairment

The Group assesses impairment at each reporting period by evaluation of conditions and events specific to the group that maybe indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

y) Comparative figures

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

z) Rounding of amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars.

Notes to the Financial Statements for year ended 30 June 2009

aa) New accounting standards and interpretations for application in future periods

The following Australian Accounting Standards and amendments to standards have been identified as those which may impact the parent company and consolidated group in the period of initial application. They are available for early adoption at 30 June 2009 but have not been applied in preparing this financial report:

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, 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] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:

- acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
- contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
- a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
- there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
- dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
- impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
- where there is, in substance, no change to Group interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

The Group will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.

- AASB 8: Operating Segments and 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] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

Notes to the Financial Statements for year ended 30 June 2009

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and 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] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 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 purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). 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.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

Notes to the Financial Statements for year ended 30 June 2009

Note 2: Revenue and other income

	Consolidated		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Rendering of services	18,909	17,400	2,809	1,800
Sales of goods	870	1,033	-	-
Interest received from other parties	188	222	1,134	60
Other revenue	134	181	65	163
Total revenue	20,101	18,836	4,008	2,023

Note 3: Expenses

	Consolidated		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Plant and equipment	481	582	100	105
Amortisation				
Leased plant and equipment	78	56	73	46
Leasehold improvements	46	92	14	60
Development costs	978	416	-	-
Total depreciation and amortisation	1,583	1,146	187	211
Borrowing costs				
Borrowing costs – convertible notes	130	-	130	-
Borrowing costs - other debt	2,969	480	2,963	468
Total borrowing costs	3,099	480	3,093	468
Share based payment expenses – Non cash (Note 26)				
Borrowing costs – convertible notes	645	670	645	670
Total share based payments	645	670	645	670
Other items				
Net profit on disposal of non-current assets	(1)	(50)	-	-
Bad and doubtful debts	12	15	-	-
Employee entitlement provisions	(37)	137	(49)	35
Operating leases	1,123	852	269	192
Write off of obsolete inventory	-	5	-	-
Significant expenses				
Write off of intellectual property	-	1,260	-	-
Impairment of plant and equipment	473	-	-	-
Impairment of development costs	1,100	-	-	-
Impairment of goodwill on consolidation	4,542	-	-	-

Notes to the Financial Statements for year ended 30 June 2009

Note 4: Auditor's remuneration

	Consolidated		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Company auditor - Hall Chadwick				
Audit and review of financial reports	106	110	106	110
Taxation services	35	15	35	15
Due diligence	69	17	69	17
Other services	14	3	14	3
Total	224	135	224	135

Note 5: Taxation

	Consolidated		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
(a) The components of income tax expense comprise:				
Deferred tax	(1,304)	(844)	(1,053)	(945)
Current year deferred tax assets not recognised	1,304	844	1,053	945
Income tax expense / (benefit)	-	-	-	-
(b) The prima facie tax on loss is reconciled as follows:				
Prima facie income tax benefit on loss at 30% (2008: 30%)	(3,146)	(937)	(1,060)	(1,035)
Add / (deduct) tax effect of:				
Non-allowable items	1,837	71	1	68
Share options expensed	5	21	5	21
Prior year deferred tax assets not previously recognised	1,304	844	1,053	945
Income tax attributable to entity	-	-	-	-

Deferred tax assets not taken into account

Losses carried forward	14,567	13,774	10,839	10,307
Temporary differences carried forward	1,993	(161)	1,062	505
Capital losses carried forward	3,185	3,185	3,151	3,151

The potential future tax benefit arising from tax losses and temporary differences has not been recognised as an asset as at 30 June 2009 as it is not probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Notes to the Financial Statements for year ended 30 June 2009

Note 6: Earnings per share and dividends

	2009	2008
	\$'000	\$'000
Earnings reconciliation		
Basic loss after taxation	(10,488)	(3,122)
Adjustment for interest on convertible notes	775	670
Diluted earnings	(9,713)	(2,452)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	124,977,855	94,171,812
Adjustment for convertible notes	39,052,220	67,000,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	164,030,075	161,171,812
	\$	\$
Earnings per share		
Basic loss per share	(0.084)	(0.033)
Diluted loss per share	(0.067)	(0.015)

Dividends

No dividends have been paid or declared for payment during the current financial year.

Note 7: Segment reporting

The consolidated group has the following business segments:

- Healthcare - the Corum Health Services business is a provider of dispense and point of sale software applications, hardware and support services to Australian pharmacies through its controlled entities, Pharmasol Pty Limited and Amfac Pty Limited;
- Transaction Processing - offers individuals and businesses the opportunity to effect payment of their rent, utilities, local government fees and commercial obligations via electronic methodologies through its controlled entity Corum eCommerce Pty Limited; and
- Training - is a Registered Training Organisation providing training services to the real estate industry through its controlled entity Corum Training Pty Limited.

The consolidated group operates predominantly in Australia. More than 95% of the profit and segment assets relate to operations in Australia.

Notes to the Financial Statements for year ended 30 June 2009

Statement of operations by segments

2009	Transaction Processing \$'000	Healthcare \$'000	Training \$'000	Corporate \$'000	Consolidated \$'000
Segment revenue	6,170	13,329	518	84	20,101
Total revenue					20,101
Segment result	(7,838)	1,157	(153)	(3,654)	(10,488)
Loss after income tax					(10,488)
Segment assets	3,802	14,256	44	909	19,011
Total assets					19,011
Segment liabilities	3,936	4,316	33	8,703	16,988
Total liabilities					16,988
Depreciation and amortisation of segment assets	620	776	-	187	1,583
Acquisition of non-current assets	427	1,096	-	119	1,642
Other non-cash segment expenses	63	(82)	4	(3)	(18)
2008	Transaction Processing \$'000	Healthcare \$'000	Training \$'000	Corporate \$'000	Consolidated \$'000
Segment revenue	5,163	13,071	378	224	18,836
Total revenue					18,836
Segment result	(833)	1,195	(36)	(3,448)	(3,122)
Loss after income tax					(3,122)
Segment assets	11,049	15,211	56	697	27,013
Total assets					27,013
Segment liabilities	4,387	5,568	11	11,938	21,904
Total liabilities					21,904
Depreciation and amortisation of segment assets	458	477	-	211	1,146
Acquisition of non-current assets	1,521	1,305	-	290	3,116
Other non-cash segment expenses	9	97	-	34	140

Notes to the Financial Statements for year ended 30 June 2009

Note 8: Cash and cash equivalents

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash at bank	701	1,492	342	87
Cash on deposit	-	86	-	86
	701	1,578	342	173

The consolidated group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 21.

Note 9: Trade and other receivables

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current				
Trade receivables	567	1,425	1	1
Provision for impairment	(67)	(72)	-	-
Other receivables	414	362	414	362
less: Provision for impairment (a)	(300)	(300)	(300)	(300)
	614	1,415	115	63
Non-current				
Amounts receivable from wholly owned subsidiaries	-	-	12,101	11,654
Provision for impairment	-	-	(2,326)	(2,446)
	-	-	9,775	9,208

(a) Other receivables include amounts due from former directors.

Provision for Impairment of Receivables

Current trade receivables are non-interest bearing loans and generally on 30 day terms. Non-current trade receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance	Charge for	Amounts	Closing Balance
	1.07.2007 \$'000	the Year \$'000	Written Off \$'000	30.06.2008 \$'000
Consolidated Group				
Current trade receivables	(85)	(15)	28	(72)
Parent Entity				
Non-current wholly owned subsidiaries	(2,305)	(141)	-	(2,446)

Notes to the Financial Statements for year ended 30 June 2009

	Opening Balance 1.07.2008 \$'000	Charge for the Year \$'000	Amounts Written Off \$'000	Closing Balance 30.06.2009 \$'000
Consolidated Group				
Current trade receivables	(72)	(11)	16	(67)
Parent Entity				
Non-current wholly owned subsidiaries	(2,446)	120	-	(2,326)

Trade and other receivables balances that are past due have been impaired. It is expected these balances will be received when due. Impaired assets are provided for in full.

The consolidated group's exposure to credit risk and impairment losses related to trade and other receivables are disclosed in Note 21.

Note 10: Inventories

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Finished goods at cost	145	109	-	-

Note 11: Other current assets

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Prepayments	149	100	27	51
Other assets (a)	3,393	3,868	2	4
	3,542	3,968	29	55

(a) Other assets includes Tenant rental receipts awaiting bank clearance prior to forwarding to Agents accounts.

Note 12: Financial assets

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Investment in associated company at cost	141	141	-	-
Shares in controlled entities, unlisted at cost (Note 24)	-	-	11,264	11,264
Provision for impairment	(141)	(141)	(6,000)	(6,000)
	-	-	5,264	5,264

The consolidated group has a 30% interest in PharmX Pty Limited. The consolidated group's share of assets and liabilities is not material to the Group.

Notes to the Financial Statements for year ended 30 June 2009

Note 13: Plant and equipment

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Leasehold improvements at cost	344	327	173	171
Accumulated amortisation	(281)	(235)	(167)	(153)
Accumulated impairment	(25)	-	-	-
	38	92	6	18
Plant and equipment at cost	4,745	4,399	932	815
Accumulated depreciation	(3,888)	(3,330)	(615)	(442)
Accumulated impairment	(448)	-	-	-
	409	1,069	317	373
Total plant and equipment	447	1,161	323	391

a) Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Leasehold improvements				
Carrying amount at beginning of year	92	295	18	194
Additions	17	58	2	3
Disposals	-	(26)	-	(26)
Amortisation	(46)	(235)	(14)	(153)
Impairment	(25)	-	-	-
Carrying amount at end of year	38	92	6	18
Plant and equipment				
Carrying amount at beginning of year	1,069	3,523	373	528
Additions	347	946	117	287
Disposals	(1)	(70)	-	-
Depreciation	(558)	(3,330)	(173)	(442)
Impairment	(448)	-	-	-
Carrying amount at end of year	409	1,069	317	373

b) Impairment losses

As at 30 June 2009, the plant and equipment attributable to the Transaction Processing business has been fully impaired. The total impairment loss recognised in the income statement during the year amounted to \$473,000 and is represented in the income statement as impairment of plant and equipment. The impairment charge arose after assessing the recoverability of the plant and equipment attributable to the Transaction Processing business and the future cash generating potential of the underlying business. Given the current downturn in economic activity the plant and equipment has been fully impaired.

Notes to the Financial Statements for year ended 30 June 2009

Note 14: Intangible assets

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Goodwill				
At cost	15,363	15,363	-	-
Accumulated impairment	(4,542)	-	-	-
Total goodwill	10,821	15,363	-	-
Intellectual property				
At cost	14	14	14	14
Accumulated amortisation	-	-	-	-
Total intellectual property	14	14	14	14
Development costs				
At cost	5,162	3,885	-	-
Accumulated amortisation	(1,514)	(536)	-	-
Accumulated impairment	(1,100)	-	-	-
Total development costs	2,548	3,349	-	-
Total intangible assets	13,383	18,726	14	14
Reconciliation of movement in development costs				
Balance at beginning of year	3,349	1,634	-	-
Additions	1,277	2,131	-	-
Amortisation charge	(978)	(416)	-	-
Impairment losses	(1,100)	-	-	-
Balance at end of year	2,548	3,349	-	-

a) Goodwill

Goodwill relates to the acquisitions of the Lockie Computer business by Pharmasol Pty Limited and the Amfac business by Amfac Pty Limited. Goodwill on consolidation relating to Corum eCommerce Pty Limited has been impaired fully during the year.

Goodwill is allocated to the following cash generating units:

	2009 \$'000	2008 \$'000
Healthcare	10,821	10,821
Transaction Processing	-	4,542
	10,821	15,363

Notes to the Financial Statements for year ended 30 June 2009**b) Development costs**

Development costs relate to computer software programs developed by Pharmasol Pty Limited, Amfac Pty Limited and Corum eCommerce Pty Ltd. The Corum eCommerce Pty Limited net carrying costs have been impaired fully during the year.

Development costs are allocated to the following cash generating units:

	2009	2008
	\$'000	\$'000
Healthcare	2,548	2,178
Transaction Processing	-	1,171
	2,548	3,349

c) Review of carrying values

The recoverable value of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a five year period with the period extending beyond five years being represented by a terminal value of 6.5 times EBITDA. An EBITDA growth rate of 3.0% per annum is utilised and the cash flows are discounted at a rate of 17.2% per annum which incorporates an appropriate risk premium.

Management has based the value-in-use calculations on budgets for each cash generating unit. These budgets incorporate management's best estimates of projected revenues using growth rates based on historical experience, anticipated market growth and the expected effect of the consolidated group's initiatives. Costs are calculated taking into account historical gross margins as well as estimated inflation rates of the year consistent with inflation rates applicable to the locations in which the cash generating unit operate.

Impairment is allocated to the following cash generating units:

	2009	2008
	\$'000	\$'000
Healthcare	-	-
Transaction Processing	5,642	-
	5,642	

d) Impairment losses

As at 30 June 2009, the goodwill on consolidation and development costs attributable to the Transaction Processing business have been fully impaired. The total impairment loss recognised in the income statement during the year amounted to \$4,452,000 and \$1,100,000 respectively and is represented in the income statement as impairment. The impairment charge arose after assessing the recoverability of the goodwill and development costs attributable to the Transaction Processing business and the future cash generating potential of the underlying business. Given the current downturn in economic activity the plant and equipment has been fully impaired.

Note 15: Other non-current assets

	Consolidated		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Security deposits	179	-	86	-
	179	-	86	-

Notes to the Financial Statements for year ended 30 June 2009

Note 16: Trade and Other Payables and Deferred Revenue

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current				
Trade creditors	679	711	265	391
Sundry creditors and accruals	8,278	6,330	3,294	1,346
	<u>8,957</u>	<u>7,041</u>	<u>3,559</u>	<u>1,737</u>
Deferred software maintenance revenue	78	2,036	-	-

Note 17: Borrowings

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current				
Bank loan - secured (1)	4,928	5,004	4,928	5,004
Convertible notes (2)	1,953	6,700	1,953	6,700
Lease liability	38	38	38	38
Total current financial liabilities	<u>6,919</u>	<u>11,742</u>	<u>6,919</u>	<u>11,742</u>
Non-current				
Lease liability	30	68	30	68
Total non current financial liabilities	<u>30</u>	<u>68</u>	<u>30</u>	<u>68</u>

(1) Bank Loan

The bank loan facility with Westpac Banking Corporation is secured by fixed and floating charges over the assets of the consolidated group. During the year the Company breached the loan covenants. Westpac Banking Corporation is yet to issue a waiver of the breaches.

The loan covenant breaches that occurred during the financial year were:

1. In November 2008 the Year to Date Earnings Before Interest Tax Depreciation and Amortisation ("YTD EBITDA") result was below the 90% of the budgeted YTD EBITDA covenant.
2. In December 2008 the YTD EDITDA covenant was breached.
3. In January 2009 the YTD EDITDA covenant was breached.
4. In February 2009 the YTD EDITDA covenant was breached.
5. In March 2009 the YTD EDITDA covenant was breached.
6. In April 2009 the YTD EDITDA covenant was breached.
7. In May 2009 the YTD EDITDA covenant was breached.
8. In June 2009 the YTD EDITDA covenant was breached.

Notes to the Financial Statements for year ended 30 June 2009

(2) Convertible Notes

As at 30 June 2009 the Company had outstanding 1,952,611 Unsecured Redeemable Convertible Notes at \$1 per Note. Each Note attracts an interest rate of 12% per annum and the holder is entitled to convert each note and accrued interest into ordinary shares at 5 cents per share at any time up to and including 31 December 2009. As Convertible Note Holders have subordinated their debt to Westpac's loan facility no Convertible Notes may be redeemed for cash without Westpac's authority. At the date of this report no notes or interest have been converted.

Note 18: Provisions

	Consolidated		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Current				
Employee entitlements	757	842	81	129
Make good provisions	41	17	12	15
	<u>798</u>	<u>859</u>	<u>93</u>	<u>144</u>
Non-current				
Employee entitlements	206	158	17	18
	<u>1,004</u>	<u>1,017</u>	<u>110</u>	<u>162</u>

Movement in provisions

	Annual	Long	Make	Total
	leave	Service	good	
	\$'000	\$'000	\$'000	\$'000
Consolidated				
Opening balance at 1 July 2008	768	232	17	1,017
Additional provisions	657	72	49	778
Provisions used	(714)	(52)	(25)	(791)
Closing balance at 30 June 2009	<u>711</u>	<u>252</u>	<u>41</u>	<u>1,004</u>
Company				
Opening balance at 1 July 2008	124	23	15	162
Additional provisions	60	(1)	(3)	56
Provisions used	(103)	(5)	-	(108)
Closing balance at 30 June 2009	<u>81</u>	<u>17</u>	<u>12</u>	<u>110</u>

Notes to the Financial Statements for year ended 30 June 2009

Note 19: Issued capital

	2009	2008
	\$'000	\$'000
Issued capital		
241,890,151 fully paid ordinary shares (2008: 95,874,271)	85,219	77,835

	\$'000	Number
Movement in ordinary share capital		
Opening balance at 1 July 2007	77,223	89,174,271
Shares issued during the year:		
2 July 2007 - shares issued for interest	335	3,350,000
2 January 2008 - shares issued for interest	335	3,350,000
Capital raising costs	(58)	-
Balance at 30 June 2008	77,835	95,874,271

Shares issued during the year:		
1 July 2008 - shares issued for convertible note interest	335	3,350,000
22 July 2008 - rights issue	419	6,439,590
1 Oct 2008 - shares issued for convertible note interest	168	1,675,000
12 May 2009 - shares issued for redemption of 2005 Convertible Notes	6,250	125,000,000
12 May 2009 – shares for penalty interest on redemption of 2005 Convertible Notes	477	9,551,290
Less: capital raising costs	(265)	-
Balance at 30 June 2009	85,219	241,890,151

a) Ordinary shares

Ordinary shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Notes to the Financial Statements for year ended 30 June 2009

b) Options on issue

At 30 June 2009 there were on issue the following options to subscribe for ordinary shares in the Company:

Number	Expiry Date	Exercise Price
7,800,000	24/01/2010	\$0.40
1,350,000	28/11/2010	\$0.12
200,000	30/11/2010	\$0.12
250,000	28/02/2011	\$0.25
1,500,000	3/11/2011	\$0.15
1,000,000	4/03/2012	\$0.26
2,400,000	16/12/2012	\$0.26

Further details of the terms and conditions of issue relating to the options refer to Note 26 Share Based Payments and Note 28 Key Management Personnel Disclosure to the financial statements.

c) Capital Management

Management controls the capital of the Consolidated Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Consolidated Group's debt and capital includes ordinary share capital and borrowings, supported by financial assets.

Note 20: Reserves

	Consolidated		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Option reserve	319	301	319	301

Note 21: Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries and leases.

The totals for each category of financial instruments are measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements.

Notes to the Financial Statements for year ended 30 June 2009

Specific financial risk exposure and management

a) Interest rate risk

The consolidated group's financial instruments, exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities are set out in the tables below:

	Weighted average interest rate	Floating interest rate	1 year or less	1-5 years	More than 5 years	Non- interest bearing	Total
2009	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash	3.8	615	-	-	-	-	615
Cash on deposit	2.0	86	-	-	-	-	86
Trade and other receivables	-	-	-	-	-	500	500
Total Financial Assets		701	-	-	-	500	1,201
Financial Liabilities							
Convertible notes	12.0	-	1,953	-	-	-	1,953
Bank borrowings	7.2	-	4,928	-	-	-	4,928
Trade and other payables	-	-	-	-	-	9,035	9,035
Lease liability	13.6	-	38	30	-	-	68
Total Financial Liabilities		-	6,919	30	-	9,035	15,984
2008							
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash	5.8	1,492	-	-	-	-	1,492
Cash on deposit	3.0	86	-	-	-	-	86
Trade and other receivables	-	-	-	-	-	1,353	1,353
Total Financial Assets		1,578	-	-	-	1,353	2,931
Financial Liabilities							
Convertible notes	10.0	-	6,700	-	-	-	6,700
Bank borrowings	9.2	-	5,004	-	-	-	5,004
Trade and other payables	-	-	-	-	-	9,077	9,077
Lease liability	13.6	-	38	68	-	-	106
Total Financial Liabilities		-	11,742	68	-	9,077	20,887

Notes to the Financial Statements for year ended 30 June 2009

b) Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate financial resources are maintained on an ongoing basis.

	Within 1 Year		1 to 5 Years		Total	
	2009	2008	2009	2008	2009	2008s
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities due for payment						
Bank loan	4,928	5,004	-	-	4,928	5,004
Redeemable convertible notes	1,953	6,700	-	-	1,953	6,700
Lease Liability	38	38	30	68	68	106
Total Financial Liabilities	6,919	11,742	30	68	6,949	11,810

c) Foreign exchange risk

The Company has no material exposure to foreign exchange risk.

d) Credit risk

The credit risk of financial assets, excluding investments, of the consolidated group, which have been recognised in the balance sheet, is the carrying amount, net of any provision for impairment. The consolidated group minimises the concentration of credit risk by undertaking transactions with a large number of customers. Trade and other receivables that are neither past due or impaired are considered to be high credit quality.

Net fair values of financial assets and liabilities

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

Sensitivity Analysis

Interest Rate Risk and Price Risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk, at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Change in profit				
- Increase in interest rate by 10.0%	(57)	(106)	(58)	(113)
- Decrease in interest rate by 10.0%	57	106	58	113
Change in equity				
- Increase in interest rate by 10.0%	(57)	(106)	(58)	(113)
- Decrease in interest rate by 10.0%	57	106	58	113

The above interest rate risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Corum Group Limited ABN 25 000 091 305

and its controlled entities

Notes to the Financial Statements for year ended 30 June 2009**Note 22: Commitments**

	Consolidated		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Non-cancellable operating lease expense commitments payable				
Not later than 1 year	1,056	859	767	687
Later than 1 year but not later than 5 years	1,359	1,591	901	1,352
Minimum lease payments	2,415	2,450	1,668	2,039

The consolidated group leases property under non-cancellable operating leases expiring within five years. Leases generally provide the consolidated group with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or operating criteria.

Note 23: Contingent liabilities and contingent assets

The Westpac Banking Corporation Cash Advance Facility and associated Transactional Banking Facility as amended in November 2008 contains provisions for the Company to issue 8,460,529 options to Westpac. Each option shall entitle the holder to acquire one ordinary share in the company at 10 cents per share when exercised on or prior to 28 August 2011. These options are yet to be issued.

Note 24: Controlled entities

	Country of incorporation	% owned 2009	% owned 2008
Amfac Pty Ltd	Australia	100%	100%
Pharmasol Pty Ltd	Australia	100%	100%
Corum eCommerce Pty Ltd	Australia	100%	100%
Corum Systems Pty Ltd	Australia	100%	100%
Corum Training Pty Ltd	Australia	100%	100%

Notes to the Financial Statements for year ended 30 June 2009

Note 25: Cash Flow Information

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
a) Reconciliation of loss after tax to net cash used in operating activities:				
Loss from ordinary activities after income tax	(10,488)	(3,122)	(3,531)	(3,591)
Add/(deduct) non-cash items:				
Depreciation and amortisation of plant and equipment	1,583	2,337	187	211
Net increase/(decrease) in provisions	(19)	139	(52)	23
Net increase in provisions for impairment plant and equipment	473	-	-	-
Net increase in provisions for impairment development costs	1,100	-	-	-
Net increase in provisions for impairment goodwill on consolidation	4,542	-	-	-
Share based payments	645	670	645	670
Share options expensed	18	71	18	71
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
(Increase)/decrease in trade debtors	859	1,686	(1)	(1)
(Increase)/decrease in inventories	(36)	(6)	-	-
(Increase)/decrease in other assets	294	(1,662)	(68)	332
Increase/(decrease) in trade creditors and accruals	2,793	2,190	2,155	89
Increase/(decrease) in deferred revenue	(1,957)	238	-	-
(Increase)/decrease in other liabilities	(542)	-	-	-
(Increase)/decrease in intercompany balances	-	-	(565)	1,963
Net cash generated by/(used in) operating activities	(735)	2,541	(1,212)	(233)
b) Loan Facilities:				
Loan facility	4,928	5,004	4,928	5,004
Utilised	4,928	5,004	4,928	5,004
	-	-	-	-

Notes to the Financial Statements for year ended 30 June 2009

Note 26: Share based payments

a) Share based payments

The following share based payment arrangements existed at 30 June 2009.

- i) On 1 July 2008 3,350,000 shares were issued to Convertible Note Holders as consideration for the interest for the six month period 1 January 2008 to 30 June 2008. The shares were deemed to be issued at 10 cents per share. An amount of \$335,000 was expensed in the 2007-08 financial year.
- ii) On 1 October 2008 1,675,000 shares were issued to Convertible Note Holders as consideration for the interest for the three month period 1 July 2008 to 30 September 2008. The shares were deemed to be issued at 10 cents per share. An amount of \$167,500 was expensed through the income statement.
- iii) On 12 May 2009 9,551,290 shares were issued to Convertible Note Holders as consideration for the penalty interest for the period 1 October 2008 to 12 May 2009. The shares were deemed to be issued at 5 cents per share. An amount of \$477,565 was expensed through the income statement.

b) Share option plan

The Directors may, at their sole discretion, issue options to selected eligible employees or associates of the Company. The maximum number of which options may be issued pursuant to the plan shall not exceed 5% of the number of shares in the Company on issue. The right to exercise options is subject to a number of conditions, including the option holder remaining an eligible participant during the exercise period.

Grant date	Vested	Expiry date	Exercise price \$	Options at start of year	Options lapsed	Options exercised	Options at year end
Consolidated and Company 2009							
28/11/2005	Yes	28/11/2010	0.12	1,350,000	-	-	1,350,000
30/11/2005	Yes	30/11/2010	0.12	200,000	-	-	200,000
17/12/2007	Yes	16/12/2012	0.26	1,050,000	200,000	-	850,000
17/12/2007	Yes	16/12/2012	0.26	550,000	-	-	550,000
17/12/2007	No	16/12/2012	0.26	1,000,000	-	-	1,000,000
				4,150,000	200,000	-	3,950,000
Consolidated and Company 2008							
28/11/2005	Yes	28/11/2010	0.12	1,350,000	-	-	1,350,000
30/11/2005	Yes	30/11/2010	0.12	200,000	-	-	200,000
17/12/2007	Yes	16/12/2012	0.26	1,050,000	-	-	1,050,000
17/12/2007	No	16/12/2012	0.26	550,000	-	-	550,000
17/12/2007	No	16/12/2012	0.26	1,000,000	-	-	1,000,000
				4,150,000	-	-	4,150,000

Notes to the Financial Statements for year ended 30 June 2009

c) Other options issued

The Company has issued the following options exclusive from the Share Option Plan:

Grant Date	Vested	Expiry Date	Exercise Price \$	Options at start of year	Options Lapsed	Options Exercised	Options at year end
Consolidated and Company 2009							
4/07/2007	Yes	28/02/2011	0.25	70,000	-	-	70,000
20/07/2007	Yes	28/02/2011	0.25	70,000	-	-	70,000
20/09/2006	Yes	3/11/2011	0.15	1,500,000	-	-	1,500,000
25/01/2007	Yes	24/01/2010	0.40	7,800,000	-	-	7,800,000
5/03/2007	Yes	4/03/2012	0.26	1,000,000	-	-	1,000,000
11/03/2006	Yes	28/02/2011	0.25	40,000	-	-	40,000
31/03/2006	Yes	28/02/2011	0.25	70,000	-	-	70,000
				10,550,000	-	-	10,550,000
Consolidated and Company 2008							
4/07/2007	Yes	28/02/2011	0.25	70,000	-	-	70,000
20/07/2007	Yes	28/02/2011	0.25	70,000	-	-	70,000
20/09/2006	Yes	3/11/2011	0.15	1,500,000	-	-	1,500,000
25/01/2007	Yes	24/01/2010	0.40	7,800,000	-	-	7,800,000
5/03/2007	Yes	4/03/2012	0.26	1,000,000	-	-	1,000,000
11/03/2006	Yes	28/02/2011	0.25	40,000	-	-	40,000
31/03/2006	Yes	28/02/2011	0.25	70,000	-	-	70,000
				10,550,000	-	-	10,550,000

Each option is exercisable to acquire one ordinary share. There are no voting or dividend rights attached to options.

No options were granted or exercised during the year.

Note 27: Superannuation funds

Superannuation funds

The consolidated group contributes to a number of superannuation funds. The funds are not sponsored by the consolidated group and are accumulation funds providing benefits on retirement, disability or death. Employer contributions are based on the statutory percentage of the employee's gross salaries. The consolidated group does not have any legal obligations to make up any shortfall of assets in the accumulation funds.

Notes to the Financial Statements for year ended 30 June 2009

Note 28: Key management personnel disclosure

Option holdings

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by key management personnel, including their personally-related entities, is as follows:

Key management personnel	Held at 1 July 2008	Granted as remuneration	Exercised	Held at 30 June 2009	Vested and exercisable at 30 June 2009
Michael Shehadie	200,000	-	-	200,000	200,000
Craig Glendenning	1,000,000	-	-	1,000,000	1,000,000
Michael Rowley	1,350,000	-	-	1,350,000	1,350,000
Julian Walter	1,500,000	-	-	1,500,000	1,500,000
Geoff Arnold	350,000	-	-	350,000	175,000
Samantha McLean	350,000	-	-	350,000	175,000
Leah Ford	350,000	-	-	350,000	175,000
Vanessa Law	350,000	-	-	350,000	175,000
	5,450,000			5,450,000	4,750,000

Equity holdings and transactions

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each specified Director and specified executive, including their personally related entities, is as follows:

Key management personnel	Held at 1 July 2008	Acquisitions	Disposals	Held at 30 June 2009
Mark Winnett	5,749,795	17,585,057	3,900,000	19,434,852
Michael Rowley	209,041	75,000	-	284,041
Julian Walter	1,200,000	112,500	-	1,312,500
	7,158,836	17,772,557	3,900,000	21,031,393

Notes to the Financial Statements for year ended 30 June 2009

Convertible note holdings and transactions

The movement during the reporting period in the value of convertible notes and the entitlement to share in the Company upon redemption of convertible notes, directly, indirectly or beneficially, by each specified director and specified executive, including their personally related entities, is as follows:

Key management personnel	Held at 1 July 2008	Acquisitions	Disposals	Held at 30 June 2009
	\$	\$	\$	\$
Michael Shehadie	-	100,000	-	100,000
Mark Winnett	1,000,000	-	(1,000,000)	-
Michael Rowley	100,000	103,070	(100,000)	103,070
Julian Walter	150,000	171,106	(150,000)	171,106
	1,250,000	374,176	(1,250,000)	374,176

Key management personnel	Held at 1 July 2008	Acquisitions	Disposals	Held at 30 June 2009
	Number	Number	Number	Number
Michael Shehadie	-	2,000,000	-	2,000,000
Mark Winnett	10,000,000	-	(10,000,000)	-
Michael Rowley	1,000,000	2,061,400	(1,000,000)	2,061,400
Julian Walter	1,500,000	3,422,120	(1,500,000)	3,422,120
	12,500,000	7,483,520	(12,500,000)	7,483,520

Summary of key management personnel remuneration

	Consolidated	
	2009	2008
	\$'000	\$'000
Short term employee benefits	1,639	1,772
Post employment benefits	53	36
Share based payment	8	41
Total compensation	1,700	1,849

For details of the nature and amount of each major element of the remuneration of key management personnel, refer to the Remuneration Report.

Corum Group Limited ABN 25 000 091 305

and its controlled entities

Notes to the Financial Statements for year ended 30 June 2009

Note 29: Related party transactions

Related party transactions not disclosed elsewhere in this report include:

Loans and other transactions with controlling entities

During the year Lujeta Pty Ltd, which increased its shareholding in the Company to 57.9%, received from the Company \$549,062 in interest on Convertible Notes and \$29,867 in interest in respect of a short term loan advanced to the Company. The payment of interest due to Lujeta Pty Ltd was satisfied by the issuance of 1,312,500 ordinary shares at 10 cents per share and 8,356,240 ordinary shares at 5 cents per share.

Loans and other transactions with Directors

In October 2007 the Company advanced to Winmark Investment Group Pty Ltd, an entity associated with Mark Winnett, an amount of \$56,822. The loan is unsecured and attracts an interest rate of 12% per annum. At the beginning of the financial year the loan balance including accrued interest was \$61,948. During the financial year ended 30 June 2009 Winmark was advanced an additional \$43,000 and together with accrued interest the loan balance as at 30 June 2009 was \$113,570.

Directors fees attributable to Michael Shehadie of \$80,000 (2008: \$60,000) are paid directly to his associate Michie Shehadie & Co.

During the year the Company paid interest on its Convertible Notes by issuing ordinary shares to the following related parties.

- Winmark Investment Group Pty Ltd, an entity associated with Mr. Mark Winnett, was entitled to receive interest of \$134,753. Payment of this interest was satisfied in full by issuing 750,000 ordinary shares at 10 cents per share and 1,195,057 ordinary shares at 5 cents per share.
- Oliveprince Pty Ltd, an entity associated with Mr. Michael Rowley, was entitled to receive interest of \$7,500. Payment of this interest was satisfied in full by issuing 75,000 ordinary shares at 10 cents per share.

Wholly-owned group

Details of interests in wholly owned controlled entities are set out in Notes 12 and 24 to the financial statements. Loans from the parent company or subsidiaries to other subsidiaries are at commercial interest rates.

Balances with entities within the consolidated group

The aggregate amount receivable by the Company from controlled entities at balance date was \$9,775,000 (2008: \$9,208,000) (Note 9).

Corum Group Limited ABN 25 000 091 305

and its controlled entities

Notes to the Financial Statements for year ended 30 June 2009

Note 30: Events subsequent to reporting date

On 31 August 2009 the Managing Director, Mark Winnett, resigned from the Company.

On 1 September 2009 Geoffrey Broomhead was appointed Managing Director and Peter John Bradfield was appointed an Independent Non-executive Director of the Company.

On 2 September 2009 Craig Glendenning tendered his resignation as an Executive Director.

Other than the matters discussed above, 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.

Note 31: Company details

The registered office of the Company and its controlled entities is:

Level 17, 24 Campbell Street,
SYDNEY, NSW 2000

The principal places of business are:

Head office:

Level 17, 24 Campbell Street, Sydney, NSW 2000

State offices:

NSW: Level 17, 24 Campbell Street, Sydney, NSW 2000

VIC: 7 Business Park Drive, Notting Hill, VIC 3168

QLD: Suite 1, 30 Sylvan Rd Toowong QLD, 4066

WA: Suite 1, 41 Walters Drive, Osborne Park, WA 6017

SA: Suite 2, 16-18 Unley Road, Unley, SA 5061

Directors Declaration

The Directors of Corum Group Limited ("the Company") declare that:

- 1 The financial statements and notes set out on pages 13 to 49 are in accordance with the Corporations Act 2001, and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the Company and consolidated group.
- 2 The Chief Executive Officer and Chief Financial Officer have each declared that:
 - (a) The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) The financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) The financial statements and notes for the financial year give a true and fair view.
- 3 In the opinion of the Directors, 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 in accordance with a resolution of the Board of Directors.

Signed in Sydney



Michael Shehadie
Chairman



Geoffrey Broomhead
Managing Director

Dated the 29th day of September 2009

CORUM GROUP LIMITED
ABN 25 000 091 305
AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORUM GROUP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Corum Group Limited (the company) and Corum Group Limited and Controlled entities (the consolidated entity), 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 and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 judgment, 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 opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Corum Group Limited on 29 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Basis for Qualified Auditor's Opinion

Going concern

In Note 1(a) of the financial report, the directors state their opinion that the going concern basis used in the preparation of the financial report is appropriate. At the date of our report, the company has not complied with Westpac Banking Corporation requirements or obtained a waiver for the breaches of its loan covenants. In our opinion, unless Westpac Banking Corporation issues a waiver for the breaches of its loan covenants, the company will not be able to continue as a going concern. Hence we have been unable to satisfy ourselves that the going concern basis is appropriate. If the going concern basis is not appropriate Corum Group Limited may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not disclose this fact.

Liability limited by a Scheme approved under Professional Standards Legislation

Sydney
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St Martins Tower
31 Market Street
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or
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Facsimile: (02) 9263 2800
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Parramatta
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Penrith
Telephone: (02) 4721 8144
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Melbourne
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Partners
Drew Townsend
David Kenney
Richard Albarran
Gino Malacco
Paul Leroy
Steven Gladman
Brent Kijurina
Blair Pleash
David Ross
Graham Webb
Domenic Calabretta

Associates
Lyle Vallance
Bill Petrovski
Sally Saad

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CORUM GROUP LIMITED
ABN 25 000 091 305
AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORUM GROUP LIMITED

Auditor's Opinion

In our opinion, except for the effect on the financial statement of the matters referred to in the preceding paragraph:

- a. the financial report of Corum Group Limited and 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
- b. the financial report also complies with International financial Reporting Standards as disclosed in Note 1; and

Significant Uncertainty Regarding the Carrying Value of Goodwill, Development Costs and Plant and Equipment attributable to the Healthcare business

Without further qualifying our opinion, we draw attention to Notes 13 and 14 to the financial report. The company has assessed the carrying value of Goodwill, Development Costs and Plant and Equipment attributable to the Healthcare business based on value in use calculations, which indicate that the balance of Goodwill, Development Costs, Plant and Equipment attributable to the Healthcare business amounting to \$13,493,000 is recoverable. If the cash flow projections used in the value in use calculations are not met, the carrying value of Goodwill, Development Costs and Plant and Equipment attributable to the Healthcare Business may be impaired.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 10 of the report of the directors 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 Corum Group Limited for the year ended 30 June 2009, complies with Section 300A of the Corporations Act 2001.

Hall Chadwick
Level 29, St Martins Tower
31 Market Street
Sydney NSW 2001



DREW TOWNSEND
Partner
Date: 29 September 2009

Corporate Governance Statement

This statement outlines the Company's corporate governance practices prevailing as at year end.

Since year end the Company has commenced a restructure of its Board of Directors with the intention of establishing a Board consisting of three independent non-executive directors and one executive director. The independent non-executive directors will constitute the members of the Audit and Risk Committee and the Remuneration and Nomination Committee. Each committee will have a Charter and comply fully with the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council. The Company will also implement a formal Board Charter which will outline the Board's responsibilities and its relationship with management.

1 Lay solid foundations for management and oversight

The Board is ultimately responsible for the operations, management and performance of the Company and is accountable to shareholders. The Board consists of one non-executive director, the Chairman, and two executive directors.

The Company has not established a set of formal functions; one reserved for the Board and the other delegated to senior management; as the majority of the Board consists of the senior management.

Annually every senior executive, except executive directors, receive a formal performance appraisal.

2 Structure the board to add value

As the majority of Directors are executives the Company does not comply with ASX Recommendation 2.1 wherein the majority of the board should be independent non-executive directors.

The Chairman is an independent non-executive director.

The Chief Executive Officer is not the Chairman.

The Company has not established a Nomination Committee.

The Company does not have a process for evaluating the performance of the Board, its committees or individual Directors.

As at the date of this report:

Michael Shehadie is the Company's Chairman and independent Non-executive Director. Mr Shehadie has been Chairman since 2005 and is a legal practitioner of more than 25 years standing.

Geoffrey Broomhead is the Managing Director and Chief Executive Officer having been appointed on 1 September 2009. Mr Broomhead is a qualified accountant with broad company administration and restructuring experience in Australia and overseas.

Peter Bradfield is an independent Non-executive Director appointed on 1 September 2009. Mr Bradfield is a lawyer and has held senior executive director positions with a number of Australian public companies. Currently he is Chairman and Non-executive Director of three Australian listed companies.

In the discharge of their duties and responsibilities each Director has the right to seek independent professional advice at the expense of the Company. All Directors are entitled to receive a copy of any such advice obtained.

3 Promote ethical and responsible decision making

The Company has established a code of conduct dealing with matters of integrity and ethical standards. All directors, executives and employees are expected to abide by the code of conduct, which covers a number of areas, including the following:

- professional conduct and ethical standards;
- standards of workplace behaviour and equal opportunity;
- relationships with customers, suppliers and competitors;
- confidentiality and continuous disclosure;
- anti-discrimination and harassment;
- trading in Company securities; and
- the environment.

The main principles of the Company's share trading policy are summarised as follows:

- the policy extends to officers, employees and consultants of the Company and their associates;
- short term trading is prohibited;
- trading is prohibited when directors or other persons are in possession of price sensitive information which is not available to the public;
- trading is prohibited in the six week period prior to either the final results announcement or the half yearly results announcement; and
- share trading is permitted at other times only if seven days prior notice in writing is given to the Company.

4 Safeguard integrity in financial reporting

The Company has an Audit Committee established without a formal charter whose members are Michael Shehadie and Mark Winnett.

The committee structure does not comply with ASX Recommendation 4.2 in so far as the Audit Committee is not structured so that it:

- Consist only of non-executive directors;
- Consists of a majority of independent directors;
- Is chaired by an independent chair; and
- Has at least three members.

5 Make timely and balanced disclosure

The Company has established procedures and policies designed to ensure compliance with the ASX Listing Rules disclosure requirements. The Managing Director is the nominated continuous disclosure officer for the Company.

The Board authorises all disclosures necessary to ensure that:

- all investors have equal and timely access to material information concerning the Company including its financial situation, performance, ownership and governance; and
- Company announcements are factual and presented in a clear and balanced way.

6 Respect the rights of shareholders

The Board is committed to ensuring that, subject to privacy laws and the need to act in the best interests of the Company by protecting confidential commercial information that shareholders, the stock market and other interested parties are informed fully of all material matters affecting the Company.

The dissemination of information is mainly achieved as follows:

- an annual report is distributed to shareholders each year;
- a commentary is usually provided on the quarterly statements submitted to the Australian Securities Exchange; and
- where possible, significant information is posted on the Company's internet website as soon as it is disclosed to the market.

7 Recognise and manage risk

Corum is committed to identifying and managing areas of significant business risk to protect shareholders, employees, earnings and the environment. Arrangements in place include:

- regular detailed financial budgetary and management reporting;
- procedures to identify and manage operational and financial risks;
- procedures requiring Board approval include all expenditure in excess of \$25,000 and employment and termination of any employee.

8 Remunerate fairly and responsibly

The Company has not established a Remuneration Committee which conforms to the ASX Corporate Governance Principles and Recommendations.

The structure of the Board of Directors is not sufficient to enable compliance with the guidelines.

All executive directors and senior executives were employed under agreements which existed in the prior year. However, due to the nature of the operations all executive directors agreed during the year to a temporary reduction in emoluments.

Additional Shareholder Information

Distribution of equity securities

Additional information required by the ASX and not shown elsewhere in this report is as follows.
The information is current as at the date of this report.

ASX Code: COO

The number of shareholders, by size of holding, in each class of share are:

Listed Ordinary Share

Range of shareholding	No of holders	Shares held	% of shares
1 - 1,000	790	282,481	0.12
1,001 - 5,000	495	1,342,067	0.55
5,001 - 10,000	466	1,381,943	0.57
10,001 - 100,000	220	7,850,736	3.25
100,001 - over	80	231,022,924	95.51
Total	1,751	241,890,151	100.00

The number of shareholders holding less than a marketable parcel of shares are

	1,384	2,346,491
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Twenty largest shareholders

The names of the twenty largest shareholders of quoted securities as at the date of this report are:

Holders Name	Shares held	% of shares
LUJETA PTY LTD	129,402,212	53.5
WINMARK INVESTMENT GROUP PTY LTD	19,434,852	8.0
GINGA PTY LTD	15,653,503	6.5
LINK ENTERPRISES (INTERNATIONAL) PTY LTD	14,015,822	5.8
LUJETA PTY LTD <THE MARGARET ACCOUNT>	10,652,167	4.4
TESLA NOMINEES PTY LTD <TESLA INVESTMENTS A/C>	4,322,235	1.8
MR MICHAEL JOHN FARRELLY	3,827,079	1.6
ATLAS VENTURES (NOMINEE) PTY LTD	3,181,014	1.3
PUBLIC TRUSTEE <IFTCBROKINGSERVICES LTD A/C>	2,747,518	1.1
ANZ NOMINEES LIMITED <CASH INCOME A/C>	2,545,932	1.1
JARONACH PTY LTD <LYNDA ADLER FAMILY A/C>	2,000,000	0.8
MR MARK RUSSELL COHEN	1,526,921	0.6
CONNAUGHT CONSULTANTS (FINANCE) PTY LTD <SUPER FUND A/C>	1,430,000	0.6
INDUBILLA PTY LTD <MSH SUPER FUND A/C>	1,173,659	0.5
LINK TRADERS (AUST) PTY LTD	1,107,173	0.5
MS THERESE DALY	966,000	0.4
INVIA CUSTODIAN PTY LIMITED <GREG JONES FAMILY A/C>	931,441	0.4
BRITISH & COLONIAL INVESTMENTS PTY LTD <SUPERANNUATION FUND A/C>	824,565	0.3
MRS EFFIE MARION WALTER	800,000	0.3
MR JOE ELCHAM <FRENKAIL SUPER FUND A/C>	790,260	0.3
Total	217,332,353	90.4

Additional Shareholder Information (continued)

Substantial shareholders at the date of this report

Holder Name	Shares held	% of shares
LUJETA PTY LTD	140,054,379	57.9
WINMARK INVESTMENT GROUP PTY LTD	19,434,852	8.0
GINGA PTY LTD	15,842,608	6.6
LINK ENTERPRISES (INTERNATIONAL) PTY LTD	15,122,995	6.3

Voting Rights

All ordinary shareholders carry one vote per share without restriction.

Unquoted Securities

Class	Number of securities	Number of holders	Holders with more than 20%
Share Options Plan:			
Options over ordinary shares exercisable at \$0.12 on or before 28 November 2010	1,350,000	2	Michael John Rowley 600,000 options
Options over ordinary shares exercisable at \$0.12 on or before 30 November 2010	200,000	1	Fordholm Investments Pty Ltd <Fordholm Super Fund A/c> 750,000 options
Options over ordinary shares exercisable at \$0.26 on or before 16 December 2012	2,400,000	11	Michael Shehadie 200,000 options Employees
Other Options:			
Options over ordinary shares exercisable at \$0.40 on or before 24 January 2010	7,800,000	1	Westpac Institutional Banking 7,800,000 options
Options over ordinary shares exercisable at \$0.25 on or before 28 February 2011	250,000	1	Hindal Ventures Pty Ltd 250,000 options
Options over ordinary shares exercisable at \$0.15 on or before 3 November 2011	1,500,000	2	Elvira Rowley & Michael J Rowley <Oliveprince Super Fund A/c> 750,000 options
Options over ordinary shares exercisable at \$0.26 on or before 4 March 2012	1,000,000	1	Fordholm Investments Pty Ltd <Fordholm Super Fund A/c> 750,000 options Craig Glendenning 1,000,000 options

Stock exchange listing

Quotation has been granted for all ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange.

COMPANY PARTICULARS

Directors

Mr Michael Shehadie (Chairman)
Mr Geoffrey Broomhead
Mr Peter Bradfield

Company Secretary

Mr George Nicolaou

Registered Office

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24 Campbell Street
Sydney NSW 2000 Australia

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Auditor

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Level 29
St Martins Tower
31 Market Street
Sydney NSW 2000

Banker

Westpac Banking Corporation
275 Kent Street
Sydney NSW 2000

Share Registry

Computershare Registry Services
Level 3, 60 Carrington Street
Sydney NSW 2000

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Shareholders with questions regarding their shareholdings should contact the Share Registry on:

Within Australia **1300 850 505**

Outside Australia **+61 3 9415 4000**

Shareholders who have changed address should advise the Share Registry in writing at the address above.

Stock Exchange Listing and Share Price

The ordinary shares of Corum Group Limited are listed on the Australian Securities Exchange.

The share price is quoted daily in national newspapers as well as on a number of information services and websites including www.asx.com.au. The price can also be obtained by phoning MarketCall on 1902 941 520, quoting code 6102. This call attracts a charge from your telephone service provider.

CORUM GROUP LIMITED

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