HIRE INTELLIGENCE INTERNATIONAL LIMITED

ABN 79 098 210 121

2009 ANNUAL REPORT

CORPORATE DIRECTORY

REGISTERED OFFICE
110 Jersey Street
JOLIMONT WA 6014
ABN 79 098 210 121
Telephone: 08 9284 1166
Fax: 08 9284 1266
www.hire-intelligence.com.au

DIRECTORS AND SECRETARY
Thomas Crage (Managing Director and Chairman)
Keegan Crage (Executive Director and Company Secretary)
Jason Crage (Non-Executive Director)

SHARE REGISTRY
Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
PERTH WA 6000
Telephone: 1300 557 010
Fax: 08 9323 2033
www.computershare.com

STOCK EXCHANGE
The Company is listed on the Australian Stock Exchange. The Home Exchange is Perth.

LAWYERS
Deacons
Grosvenor Place
225 George St
SYDNEY NSW 2000

AUDITOR
BDO Kendalls Audit and Assurance (WA) Pty Ltd,
128 Hay Street
SUBIACO WA 6008

OTHER INFORMATION
Hire Intelligence International Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

CONTENTS

This financial report covers both Hire Intelligence International Limited as an individual entity and the consolidated entity consisting of Hire Intelligence International Limited and its subsidiaries. The financial report is presented in the Australian currency.

Hire Intelligence International Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principle place of business is:

Hire Intelligence International Limited
110 Jersey Street
Jolimont WA 6014

A description of the nature of the consolidated entity's operations and principal activities is included in the review of operations and principal activities on pages 15 to 19 of the director's report which are not part of this financial report.

Dear fellow shareholders

It is with pleasure that, on behalf of your Board of Directors, I present Hire Intelligence International's (HII) 2009 Annual Report.

HII is actively reviewing how best to restructure its business to take advantage of the current adverse economic conditions and build a secure, solid foundation going forward. Its exceptional past performance, continued profitability, debt free status and significant cash reserves ensure it is well positioned in the current economic climate.

HII achieved solid revenue results during the 2009 financial year notwithstanding the difficult economic climate. For its 2009 financial year Hire Intelligence recorded total sales revenue of $11.19 million (2008: $11.46 million).

HII produced a healthy profit before tax of $1.3 million notwithstanding a $0.5 million loss on investments in Q Limited shares, Busby Web Solutions making a trading loss of $0.5 million, legal costs associated with a Franchisee coupled with restructuring costs of $0.3 million and the weak British pound impacting earnings by more than $0.1 million. As a result the Company was pleased to declare a fully franked dividend of 1.0 cent per share.

Cash on hand on 30 June 2009 was $6.8 million. HII has no borrowings.

The business continues to earn exceptional returns on net assets employed, is essentially debt free, has increased the number of company-owned outlets and has restructured is web solutions business.

Outlook
Your Board is considering a wide range of structural and investment opportunities.

Your Board expects EBIT in the 2009/2010 financial year to exceed that achieved in FY2009 and expects to pay a dividend with respect to earnings during the current financial year.

Tom R Crage
Chairman and Managing Director

The directors present their report together with the financial report of Hire Intelligence International Limited ('the Company') and of the consolidated entity, being the Company and its controlled entities, for the financial year ended 30 June 2009 and the auditor's report thereon.

CONTENTS OF DIRECTORS' REPORT

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Age	Experience, special responsibilities and other directorships
Thomas R Crage Chairman, Managing Director, CEO (Appointed September 2001) Public directorships in last 3 years: Nil Shares in HII: 70,307,764	62	Tom Crage has two university business degrees and has been involved in franchising both as a franchisor and franchisee since September 1973. He has been a Financial Controller of KFC in South Africa and the United Kingdom, Administrative Controller of KFC in the UK, and Director of Finance for Europe, Middle East and Africa of Heublein International. Heublein owned KFC, Smirnoff Vodka, Californian and Portuguese wineries and a host of other products. In Perth, one of his companies has been a Chicken Treat franchisee granting sub-franchises which was sold in 1995. Tom is a member of the nomination, disclosure and remuneration committees.
Keegan T Crage B.Com, Grad Dip CSP, M.Fin, M.Mktg, ACA, ACIS Executive Director (Appointed 1 December 2005) Public directorships in last 3 years: Nil Shares in HII: Nil	31	Keegan worked with KPMG where he qualified as a Chartered Accountant prior to joining Hire Intelligence in 2001. Whilst at Hire Intelligence he has held various positions including General Manager of the London and Sydney operations and Franchising and Marketing Controller. He is currently the Company Secretary and an Executive Director. Keegan completed a thesis on franchisor globalisation strategies and has had marketing and franchising articles published in industry magazines. Keegan is a member of the nomination, disclosure and audit committees.
Jason F Crage B.Bus, M.Fin, ACA, ASIA Non-Executive Director (Appointed 19 December 2005) Public directorships in last 3 years: Nil Shares in HII: Nil	37	Jason has extensive commercial experience with 12 years of assisting organisations throughout Europe, North America and Australia. Jason worked for a WA based Venture Capital fund before undertaking 3 years at Price Waterhouse Coopers during which he qualified as a Chartered Accountant. In 1999 he formed Formzest Ltd in the UK to provide Corporate Performance Management solutions for organizations. In 2003 Jason returned to Australia to extend Formzest's international operations. Through Formzest, Jason has worked with a variety of clients including Universal Studios, BAE, Orange and WPP. Jason is a member of the nomination, disclosure, audit and remuneration committees.

2. COMPANY SECRETARY

Keegan Crage (B.Com, Grad Dip CSP, M.Fin, M.Mktg, ACA, ACIS) was appointed to the position of Company Secretary on 6 April 2006. Keegan worked with KPMG where he qualified as a Chartered Accountant prior to joining Hire Intelligence in 2001. Whilst at Hire Intelligence he has been a General Manager Operations, Franchising and Marketing Controller, an Executive Director of HII and CEO of 100% subsidiary Busby Web Solutions. Keegan completed a thesis on franchisor globalisation strategies and has had marketing and franchising articles published in industry magazines.

3. DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings		Disclosure Committee Meetings	
	A	B	A	B	A	B	A	B	A	B
Thomas R Crage	12	12	-	-	1	1	-	-	12	12
Keegan T Crage	12	12	2	2	-	-	-	-	12	12
Jason F Crage	11	12	2	2	1	1	-	-	11	12

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the year

4. CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

4.1 BOARD OF DIRECTORS

Role of the board

The board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the board is responsible for the overall corporate governance of the consolidated entity including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems.

It is also responsible for approving and monitoring financial and other reporting. The board has not implemented a board charter as the corporate governance policy is regarded as sufficient to maintain ethical behaviour. The board has delegated responsibility for operation and administration of the Company to the Chief Executive Officer and executive management. Responsibilities are delineated by formal authority delegations with the CEO and executive Management reporting to the Board on a monthly basis or more frequently if deemed necessary, on the overall performance of each individual business unit. The CEO and Executive Management are formally evaluated on their performance annually and were reviewed during the year in accordance with the policy.

Board processes

To assist in the execution of its responsibilities, the board has established a number of board committees including a Nomination Committee, a Remuneration Committee, a Disclosure Committee and an Audit Committee. These committees have written mandates and operating procedures, which are reviewed on a regular basis. The board has also established a framework for the management of the consolidated entity including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The full board currently holds twelve scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise. Board minutes and board charter are available by contacting the company secretary.

The agenda for meetings is prepared in conjunction with the chairman/chief executive officer and company secretary. Standing items include the chief executive officer's report, financial reports, operational reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives are regularly involved in board discussions and directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

Director education

The consolidated entity ensures that new directors are appropriately informed about the nature of the business, current issues, the corporate strategy and the expectations of the consolidated entity concerning performance of directors. Directors also have the opportunity to visit consolidated entity facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the chairman, may seek independent professional advice from a suitably qualified adviser at the consolidated entity's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

Composition of the board

The names of the directors of the Company in office at the date of this report are set out in the Directors' report on page 5 of this report. The composition of the board is determined using the following principles:

- a minimum of three directors, with a broad range of expertise
- at least one non-executive director
- a majority of directors having extensive knowledge of the Company's industries, and those which do not, have reasonable experience in significant aspects of auditing and financial reporting, or risk management of large companies
- enough directors to serve on various committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities
- although there is no limitation on the number of years a director may serve, a third of the directors (except for the Chief Executive Officer) must resign by rotation each year

An independent director is a director who is not a member of management (a non-executive director) and who:

- holds less than five per cent of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than five per cent of the voting shares of the Company
- has not within the last two years been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment
- within the last two years has not been a principal or employee of a material* professional adviser or a material* consultant to the Company or another group member
- is not a material* supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material* supplier or customer
- has no material* contractual relationship with the Company or another group member other than as a director of the Company
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially* interfere with the director's ability to act in the best interests of the Company

* The board considers, 'material', in this context, to be where any director-related business relationship has represented, or is likely in future to represent the lesser of at least 5 per cent of the relevant segment's or the director-related business's revenue. The board considered the nature of the relevant industries' competition and the size and nature of each director-related business relationship, in arriving at this threshold.

The Chairman currently fills the position of CEO and the non-executive director may not be perceived as independent. The Company's Board does not comprise a majority of independent directors and to that respect does not comply with the corporate governance reporting principles. The Board is of the view that the size of the company, by either turnover or market capitalisation, does not warrant a larger, more diverse Board structure.

4.2 NOMINATION COMMITTEE

The nomination committee oversees the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the Company's chief executive officer 'CEO'. The committee makes recommendations to the board on the appropriate skill mix, personal qualities, expertise and diversity of each position. When a vacancy exists or there is a need for particular skills, the committee in consultation with the board determines the selection criteria based on the skills deemed necessary and identifies potential candidates with, where necessary, advice from an external consultant. The board then appoints the most suitable candidate however formal letters of appointment have not been issued.

The committee's nomination of existing directors for reappointment is not automatic and is contingent on their past performance, contribution to the Company and the current and future needs of the board and the Company. Directors displaying unsatisfactory performance are required to retire.

In view of the size of the board, the whole board acts as the nomination committee.

The nomination committee meets as and when it is required. The committee did not meet during the year and committee members' attendance record is disclosed in the table of Directors' meetings on page 5. The terms and conditions of the appointment and retirement of non-executive directors are set out in the Corporate Governance Policy, including expectations of attendance and preparation for all board meetings, appointments to other boards, the procedures for dealing with conflicts of interest, and the availability of independent professional advice.

The nomination committee's charter and policies, including those for appointing directors and senior executives, are available to all Members and directors, but are not published on the Company's website.

4.3 REMUNERATION COMMITTEE

The remuneration committee reviews and makes recommendations to the board on remuneration packages and policies applicable to the executive officers and directors themselves of the Company and of other group executives for the consolidated entity. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The members of the remuneration committee during the year were:

- Jason Crage – Non-Executive
- Tom Crage – Executive

The remuneration committee will not comprise entirely of non-executive directors due to the limited structure of the board.

The remuneration committee meets as required. The committee met twice during the year and committee members' attendance record is disclosed in the table of directors' meetings on page 5.

4.4 REMUNERATION REPORT

4.4.1 Principles of compensation – audited

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity, including directors of the Company and other executives. Key management personnel include the five most highly remunerated S300A directors and executives for the Company and the consolidated entity.

Compensation levels for key management personnel and secretaries of the Company, and relevant key management personnel of the consolidated entity are competitively set to attract and retain appropriately qualified and experienced directors and executives. The remuneration committee obtains independent advice on the appropriateness of compensation packages of both the Company and consolidated group given trends in comparative companies both locally and internationally and the objectives of the Company's compensation strategy.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the amount of incentives within each key management person's compensation
- the key management personnel's ability to control the relevant segments performance

Compensation packages include a mix of fixed and variable compensation.

Fixed Compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the remuneration committee through a process that considers individual, segment and overall performance of the consolidated entity. In addition external information is reviewed to ensure the directors' and senior executives' compensation is competitive in the market place.

Performance-linked compensation

Performance linked compensation are designed to reward key management personnel for meeting or exceeding their financial and personal objectives as set by the company. The short-term incentive is an 'at risk' bonus provided in the form of cash.

Short-term and long-term incentive structure

The remuneration committee considers that the above performance-linked compensation structure is generating the desired outcome. The evidence for this is the growth in profits in recent years.

For the year ended 30 June 2009, the KPIs linked to STI plans were based on group, individual business and personal objectives. The KPIs required performance in reducing operating costs and achieving specific targets in relation to return on assets and shareholder value added (SVA), as well as other key, strategic non-financial measures linked to drivers of performance in future reporting periods. These KPIs are generic across the executive team.

The remuneration committee is responsible for assessing whether the KPIs are met. To help make this assessment, the committee receives detailed reports on performance from management and external remuneration consultants.

The short-term bonus payments may be adjusted up or down in line with under or over achievement against the target performance levels. This is at the discretion of the remuneration committee. The STI target annual payment is reviewed annually.

Service contracts

It is the consolidated entity's policy that service contracts for key management personnel, excluding the CEO, are unlimited in term but capable of termination on 2 to 4 weeks notice and that the consolidated entity retains the right to terminate the contract immediately, by making payment equal to 2 to 4 weeks pay in lieu of notice.

Thomas Crage, Chief Executive Officer, has a contract of employment with the Company which provides for a total package of $291,000. Of that total, $191,000 was taken as salary and $100,000 was taken as superannuation. The package is reviewed each July against industry surveys, the Company's performance covering the July to June period including annual share price movement and other key performance indicators. The employment contract requires Mr Crage to work no less than a 32 hour week. The CEO has no entitlement to termination payment in the event of removal for misconduct.

Other Directors Contracts: All other key management personnel have a contract of employment with the company which can be terminated by either party giving 4 weeks written notice.

Non-Executive Directors : Total compensation for all non-executive directors, last voted upon by shareholders at the 2001 AGM, is not to exceed $180,000 per annum and is set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies. Directors' base fees are presently up to $39,775 per annum.

The Chairman does not receive a fee for being the Chairman. The Executive Director does not receive a fee for being a director. Non-executive directors do not receive performance related compensation. Directors' fees cover all main board activities and membership of committees.

4.4.2 Directors' and executive officers' remuneration (Company and Consolidated) - audited

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the five named Company executives, relevant group executives who receive the highest remuneration and other key management personnel are:

		Short-term				Post-employment	Other long term	Termination benefits	Share-based payment	Total	Percentage related to performance
		Salary & fees $	STI cash bonus $(A)	Non-monetary benefits $	Total $	Super-annuation benefits $	$		Options and rights $	$	(%)
Directors											
Non-executive											
Jason Crage Executive Director (Appointed December 2005)	2009	36,491	-	-	36,491	3,284	-	-	-	39,775	-
	2008	35,804	-	-	35,804	3,222	-	-	-	39,026	-
Executive											
Thomas R. Crage Chairman and CEO (Appointed February 1996)	2009	191,000	-	(16,914)	174,086	100,000	-	-	-	274,086	-
	2008	191,000	-	1,492	192,492	100,000	-	-	-	292,492	-
Keegan Crage Executive Director and Company Secretary (Appointed February 2001)	2009	206,274	10,900	(3,594)	213,580	18,565	-	-	-	232,145	4.70
	2008	182,083	34,288	10,816	227,187	18,573	-	-	-	245,760	13.95

		Short-term: Salary & fees $	Short-term: STI cash bonus $(A)	Short-term: Non-monetary benefits $	Short-term: Total $	Post-employment Super-annuation benefits $	Other long term $	Termination benefits	Share-based payment Options and rights $	Total $	Percentage related to performance (%) (1)
Executives											
Val Crage Group General Manager Sales (Appointed July 1997)	2009	31,686	10,000	1,288	42,974	99,926	-	-	-	142,900	7.00
	2008	21,181	13,038	3,941	38,160	99,954	-	-	-	138,114	9.44
Neil Levin General Manager (Appointed April 2005)	2009	122,409	14,244	(8,789)	127,864	11,017	-	-	-	138,881	10.25
	2008	115,853	12,000	5,813	133,666	10,607	-	-	-	144,273	8.32
Chris Hutber General Manager (Appointed March 2005)	2009	131,340	32,639	1,380	165,359	-	-	-	-	165,359	19.74
	2008	125,539	25,832	(4,754)	146,617	-	-	-	-	146,617	17.62
Former Executives											
Jerry van Driel Vis General Manager (Employed until April 2009)	2009	99,768	1,857	-	101,625	8,837	-	-	-	110,462	1.68
	2008	125,000	-	5,509	130,509	11,250	-	-	-	141,759	-
Richard Wall General Manager (Employed until February 2009)	2009	56,222	1,013	-	57,235	5,416	-	6,234	-	68,885	1.47
	2008	18,256	-	1,492	19,748	1,643	-	-	-	21,391	-
Shane Brann General Manager (Employed until March 2008)	2009	-	-	-	-	-	-	-	-	-	-
	2008	69,077	-	-	69,077	6,217	-	-	-	75,294	-
Dan Hill General Manager (Employed until August 2007)	2009	-	-	-	-	-	-	-	-	-	-
	2008	22,887	-	(559)	22,328	2,060	-	-	-	24,388	-
Total compensation: Key management personnel	2009	875,190	70,653	(26,629)	919,214	247,045	-	6,234	-	1,172,493	6.03
	2008	906,680	85,158	23,175	1,015,588	253,526	-	-	-	1,269,114	6.71

(1) At risk short term incentive

Note: Other than Neil Levin, who forms part of the Consolidated group, all other executives form part of the Company. There are no loans to Directors or executives.

There has been no issue of shares or options to the directors during the year. The overall level of executive reward takes into account the performance of the Group over a number of years with a greater emphasis given to the current year. The following table demonstrates the link between key management personnel incentive compensation and group performance.

	2004	2005	2006	2007	2008	2009
Normalised EBIT	800,000	950,000	1,523,000	1,876,000	1,912,000	1,655,000
Basic EPS	(0.53)	0.98	1.53	2.76	2.21	1.17
STI	16,595	44,576	2,606	60,427	59,326	70,653

Executive incentives are currently on a short term basis through a cash bonus scheme that rewards growth in profit on prior year. The bonus at executive level relates to the operation for which that executive is responsible whilst the bonus at director level relates to the group performance. Director level bonuses do not apply to Non Executive Directors or the Chairman of the group. There are no equity based remuneration schemes and therefore no risk of participating in unvested entitlements via transactions in associated products.

End of Remuneration Report

4.5 AUDIT COMMITTEE

The audit committee has a documented charter, approved by the board. All members must be non-executive directors with a majority being independent. The Chairman may not be the Chairman of the board. The committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the consolidated entity.

The members of the audit committee during the year were:

- Jason Crage (appointed 22 December 2005) – Non-Executive
- Keegan Crage (appointed 2 December 2005) – Executive

The external auditors and the chief executive officer, are invited to audit committee meetings at the discretion of the committee. The committee met twice during the year and committee members' attendance record is disclosed in the table of directors' meetings on page 5.

The chief executive officer declared in writing to the board that the financial records of the Company for the financial year have been properly maintained, the Company's financial reports for the financial year ended 30 June 2009 comply with accounting standards and present a true and fair view of the Company's financial condition and operational results. This statement is required annually.

The external auditors met with the audit committee and the board of directors twice during the year.

The responsibilities of the audit committee include:

- reviewing the annual and half-year financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Equivalents to International Reporting Standards (AIFRS), and assessing whether the financial information is adequate for shareholder needs
- assessing corporate risk assessment processes
- assessing the performance and objectivity of the internal audit function
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review
- providing advice to the board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001
- assessing the adequacy of the internal control framework and the Company's code of ethical standards
- organising, reviewing and reporting on any special reviews or investigations deemed necessary by the board
- monitoring the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements
- addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX and financial institutions

- Selection, appointment and rotation of external audit engagement partners through assessment of the relevant skills, experience and attributes of various appropriately qualified professional auditors.

The audit committee reviews the performance of the external auditors on an annual basis and normally meets with them during the year to:

- discuss the external audit, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed. There is no formal internal audit procedure however the functions are covered by the CEO and the Group GM Sales
- review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend board approval of these documents, prior to announcement of results
- review the draft annual and half-year financial report, and recommend board approval of the financial report
- review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made

4.6 RISK MANAGEMENT

Oversight of the risk management system

The board oversees the establishment, implementation, and annual review of the Company's Risk Management System. Management has established and implemented the Risk Management System for assessing, monitoring and managing operational, financial reporting, and compliance risks for the consolidated entity. The Chief Executive Officer has declared, in writing to the board, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. The operational and other risk management compliance and controls have also been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the consolidated entity. Management are required and have reported to the board, during board meetings on whether risks are being effectively managed.

Risk profile

The audit committee reports to the board as and when required which reports are aimed at ensuring risks are identified, assessed and appropriately managed. Each business operational unit is responsible and accountable for implementing and managing the standards required by the operations manual.

Major risks arise from such matters as actions by competitors, government policy changes, the impact of exchange rate movements, difficulties in sourcing equipment, environment, occupational health and safety, financial reporting, and the purchase, development and use of information systems.

Risk management and compliance and control

The consolidated entity strives to ensure that its products are of the highest standard. The board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities.

Comprehensive practices have been established to ensure:

- capital expenditure and revenue commitments above a certain size obtain prior board approval
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations
- business transactions are properly authorised and executed
- the quality and integrity of personnel
- financial reporting accuracy and compliance with the financial reporting regulatory framework (see below)
- environmental regulation compliance

Quality and integrity of personnel

Written confirmation of compliance with policies in the Ethical Standards Manual is not obtained from all operating units. Formal appraisals are conducted at least annually for all employees. An appropriate succession plan, given the size of the business, is also in place to ensure competent and knowledgeable employees fill senior positions when retirements or resignations occur.

Financial reporting

The chief executive officer has declared, in writing to the board that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

Monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly.

Environmental regulation

Based on the results of enquiries made, the board is not aware of any significant breaches during the period covered by this report.

4.7 ETHICAL STANDARDS

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. The board reviews the Employee Handbook manual as required and processes are in place to promote and communicate these policies.

Conflict of interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of director related entity transactions with the Company and consolidated entity are set out in note 29 to the financial statements.

Code of conduct

The consolidated entity has advised each director, manager and employee that they must comply with the policies outlined in the Employee Handbook.

Trading in general Company securities by directors and employees

The Constitution permits directors to acquire shares in the Company. Company policy prohibits directors from dealing in Company shares:

- in the three weeks prior to the release of the Company's half year and annual results to the Australian Stock Exchange and in the two weeks prior to the annual general meeting of the Company except where the purchases are associated with a privatisation bid that has been the subject of an Independent Experts' Report
- where the dealing is of a short-term nature except where they advise other directors in advance of predetermined buy and sell prices that must be at least 20% apart; or
- where it is unlawful to do so.

Except where the above applies, there should be no objection to dealings in the period between one and 28 days after either the release of the Company's half-year and annual results to the Australian Stock Exchange and after the conclusion of the annual general meeting.

At times other than as set out above, or if there is any overlap between prohibited and permitted trading periods, directors should advise the Chairman, or in the case of the Chairman, advise the Board of Directors, through the Company Secretary before they sell or buy shares in the Company. Generally, there should be no objection to dealing in securities notified in accordance with this procedure providing that the Company is in compliance with its continuous disclosure requirements, the Company is not withholding any information from disclosure by reason of the exceptions to Listing Rule 3.1 and the directors do not otherwise possess any price sensitive information in relation to the Company's securities. In accordance with the provisions of the Corporations Act 2001 and the Listing Rules of the Australian Stock Exchange, the directors have undertaken to advise the Company of any transactions conducted by them in shares in the Company. The Company must then advise the Australian Stock Exchange of directors' dealings in Company shares.

4.8 COMMUNICATION WITH SHAREHOLDERS INCLUDING BALANCED AND TIMELY DISCLOSURE

The board provides shareholders with information using a Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases.

In summary, the Continuous Disclosure Policy operates as follows:

- the chief executive officer and the company secretary are responsible for interpreting the company's policy and where necessary informing the board. The company secretary is responsible for all communications with the ASX. Such matters are advised to the ASX on the day they are discovered, and all senior executives must follow a 'Weekly Continuous Disclosure Discovery' process, which involves monitoring all areas of the group's internal and external environment
- the full annual financial report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document), including relevant information about the operations of the consolidated entity during the year, changes in the state of affairs and details of future developments
- the half-yearly report contains summarised financial information and a review of the operations of the consolidated entity during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it
- the external auditor attends the annual general meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

All of the above information, including that of the previous three years, is made available on the Company's website.

The board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors, the Remuneration report and changes to the Constitution. Copies of the Constitution are available to any shareholder who requests it.

5. PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The principal activities of the consolidated entity during the course of the financial year were the rental of computer and associated equipment, the support of franchisees to operate similar computer rental businesses and a web solutions business. During the year the consolidated entity took over responsibility for the Dublin and Canberra operations from former franchisees.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

Objectives

The consolidated entity's objective is to consider structural and investment opportunities that will enhance its ability to build on a secure, solid foundation going forward.

6. OPERATING AND FINANCIAL REVIEW

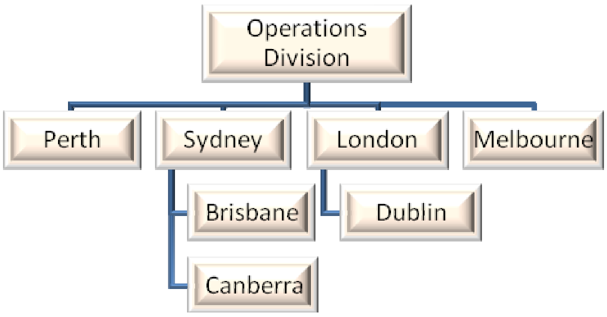
Hire Intelligence is Australia's dominant short-term business Information Technology (IT) and Audio-Visual (AV) equipment rental supplier, operating domestically since 1996 and building a multinational network from a single base in Perth. Its company owned outlets in London, Dublin and key Australian capital cities form the core of its solid and consistent profitability.

The group consists of three business divisions; Operations, Franchising and Web Solutions, each reporting to the Corporate Head Office. The Franchise and Web Solutions businesses are operated by wholly-owned subsidiaries (Cityside Asset Pty Ltd and Busby Web Solutions Pty Ltd respectively).

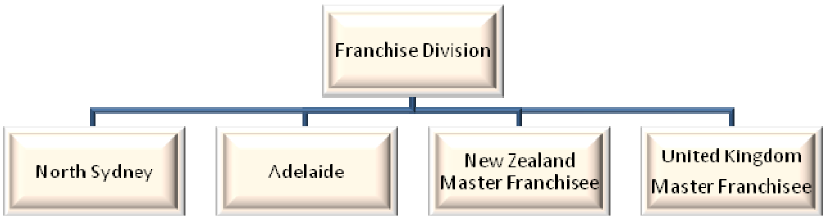
The Operations Division is responsible for company operated outlets in Sydney, Melbourne, Perth, Brisbane, Canberra, Dublin and London.

In addition to the 7 directly operated outlets, another 8 franchised operations cover 20 territories across Australia, the UK and New Zealand. The business is now the second largest operator in the UK.

Each outlet provides businesses with short-term rentals of IT and AV equipment, as well as videoconferencing, while Perth and Melbourne provide fully equipped IT training rooms.



The Franchising Division manages the franchise network, including supporting the 2 Australian franchisees directly, while other franchisees are serviced by one of the 2 regional master franchisees. The franchising division is also responsible for supporting these master franchisees.



The third division, Busby Web Solutions Pty Ltd, was set up to sell online application and website development services, but has not yet reached profitability.

Busby has introduced a website rental model. It also assists customers with financing their website development and creates an easily managed expense that should provide them with tax benefits.

Busby has developed packages ideal for small businesses as well as a division that caters specifically for large corporations.

Customers are able to manage and alter their own website content or use our services to undertake updates. Our Busby website can be viewed at www.busbywebsolutions.com

Proprietary business process system and business model

Hire Intelligence has created a powerful proprietary business process system to control every aspect of outlet operations with a comprehensive Operations Manual and related training courseware. This is coupled with advanced bespoke IT systems to ensure highly consistent and cost effective operations.

Hire Intelligence's diverse revenue streams include:

- Rental and other revenue from company-owned and operated outlets;
- Initial, renewal, ongoing and other franchise fees from direct-, master- and sub-franchises;
- Web solutions revenue.

The business model forms a flexible platform of proprietary systems and process technology, facilitating a highly cost effective operation, and enabling:

- "Bolting on" scale via new outlets;
- Expanding into other products and services;
- Usage by other industries;
- Revenue growth while maintaining cost control;
- Exceptionally high return on assets employed;
- High turnover for the organisation's scale; and
- Particularly high profit per employee.

Key Assets

A number of significant factors underlie the resilient success of the business. Together, these components form a platform for strategic execution in several directions.

- **Business Process Technology:** Clearly defined operational framework ensuring consistent presentation and service standards across the group. The business process technology can be adapted to businesses in similar or different industries.

- **Information Systems Technology:** The JBS is an exceptionally well integrated computer fleet management and accounting system, based on the Operations Manual and training program, and spanning:

    - Ordinary business functions (accounting, HR, treasury, etc);
    - Integrated rental fleet management;
    - Key processes and specialised functions for the equipment hire business;
    - The IT hardware industry and product structure;
    - Distributed, international and multi-level business model;
    - A wide range of key performance indicators
    - Monthly trend schedules providing detailed and summarised monthly breakdown of forecast annual trading results by outlet and for the group
    - Daily/month to date trading, debtor, cash balance and stock utilisation synopsis by outlet
    - equipment rental (including complex pricing) in international and multilevel operations
    - Probity and disclosure requirements of a publicly listed company.

    The JBS is a highly scalable, portable, and extensible business model that supports effective daily and periodic reporting systems, structured around carefully selected key performance indicators (KPIs) to ensure effective monitoring at the operational level, rapid alerts to exceptions, issues, and changing circumstances, and a cumulative trend analysis forecasting process.

- **Iconic & Multi-Purpose Brand:** This highly effective trademark scores particularly high on target recall, and over $11M has been spent on advertising & brand building (mainly in Australia). The brand could be used across a range of industries.

- **Scalable Portable Business Model:** A highly scalable and portable business model enabling the establishment of new business concepts and leveraging off existing infrastructure, including detailed training and marketing materials.

- **Key Performance Indicators & Reporting Systems:** Effective KPIs that ensure close performance monitoring and rapid alerts to changing circumstances, as well as methods to build on successes and eliminate weaknesses.

- **Top Brand and Quality Equipment:** Rental fleet of top brand equipment continually updated and well maintained, as equipment is disposed of after 2.5 to 3 years and is depreciated at 40% on diminishing balance basis.

- **Customer Base:** The current customer list of over 26,000 businesses reads like a *who's who* in business, government and non-profit organisations in respective rental catchments.

- **Advertising and Marketing:** Management has developed and continuously enhances a comprehensive marketing, sales, advertising and promotional program. This program is refined based on the circumstances of the specific market serviced, and backed up by outstanding creative from leading design and communication agencies in Australia.

- **Web Presence and Online facilities:** Hire Intelligence's website provides a strong marketing and operational link to customers through the Internet. This system was developed internally, and is hosted externally, operating distinct websites in geographies around the world, providing online ordering capability tailored to the rental business. Each of the websites are regularly updated, are optimised for visibility and high ranking on the major search engines and have capacity for individual outlets to maintain their own websites through a content management system

- **Structured Training:** Induction training for new staff has been conducted in a highly structured and tested course, which is supported by detailed training materials and taught by experienced instructors. The core 900+ page Operations Manual forms the basis for induction training. The full training course requires some 4 weeks classroom work, coupled with 2 weeks of practical training.

- **National & International Scope:** Operations across Australia, the UK, Ireland and NZ facilitating national and/or international growth programmes.

- **Critical Mass:** Consistent growth has brought the organisation to a scale and structure with an attractive and predictable risk profile based on market leading positions in multiple international markets.

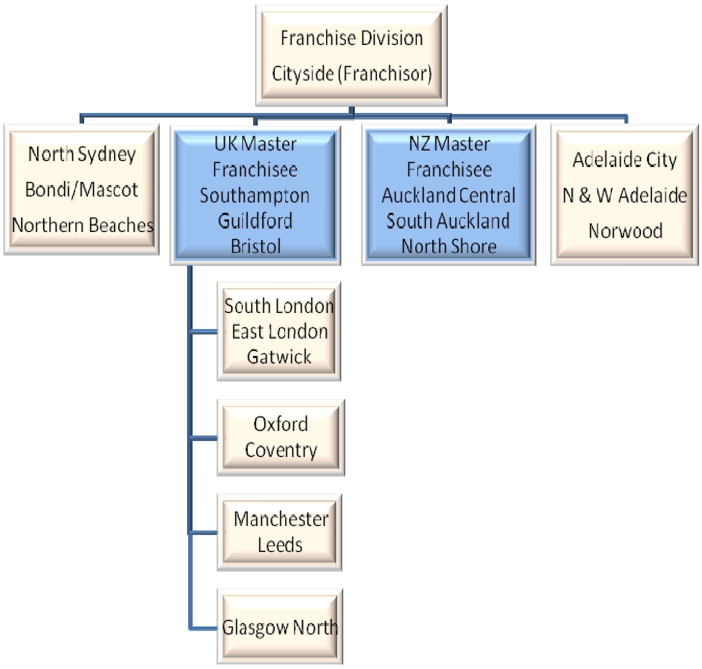
- **Consistent Growth:** FY2009 was Hire Intelligence's first profit downturn following on from 5 successive years of normalised EBIT growth. EBIT growth is forecast to resume this financial year.
- **Substantial Cash Reserves:** Significant cash reserves, no debt and $6.5 million surplus cash
- **Franking Credits:** The group has $3,280,000 worth of franking credits associated with close on $11,718,000 historical taxed profits.

FRANCHISE NETWORK

Hire Intelligence, through its subsidiary Cityside Asset, developed a unique rental management system, coupled with an enlightened approach to customer service, which has been researched, packaged and documented to provide a business "blueprint" for global computer rental operations. This blueprint formed the basis for a strong international franchising policy and programme.

There are currently 8 franchisees, who together own 20 franchise territories. Two franchisees in Australia (based in North Sydney and Adelaide) are supported directly by Cityside. (A franchisee operating multiple territories has multiple franchise agreements.)

Regional master franchisees retain 50% of local franchise fees for providing service and support to the franchisees in their region, while the remainder (along with franchise fees for the master franchise itself) are paid to Cityside.



Organisation, management and staffing

The HII group of companies employs less than 50 staff, and the workforce is generally happy and enthusiastic, and management relationships are consistently amicable.

Development and Growth Prospects

Operational improvements and growth initiatives are ongoing however specific organisational and structural changes impacting Brisbane, Melbourne, Dublin and Busby are expected to yield improved results for those operations.

Market drivers and competitor environment

Hire Intelligence's traditional market is short-term rental of computing and audiovisual, equipment to businesses, government and not for profit for specific short term requirements including training, conferences, exhibitions, special projects, feasibility studies, events, presentations, staff overload, budget constraints, travel and reducing capital expenditure. This is distinct from longer-term rental, leasing, and hire purchase arrangements, and is a very different market from retail sales and/or rental of equipment to individuals. It is also distinct from outsourcing and managed services businesses which operate in parallel markets.

Listing on ASX

Hire Intelligence (ASX code: HII) listed on the Australian Stock Exchange on 16 January 2002. The Chairman subsequently made two attempts to acquire the outstanding shares and take the company private again. These resulted in independent valuations being conducted for the target statements firstly by KPMG and then later by Grant Thornton both of which are summarised in the table below. Full details can be viewed on the ASX website. The shares remain very closely held with the Chairman controlling over 91% of the issued shares.,

Year	EBIT*	Cash	Valuation		
			Low	High	Source
2003	$ 520	$ 1,960	$ 15,000	$ 18,900	KPMG
2005	$ 950	$ 5,400	$ 15,000	$ 17,200	Grant Thornton

The firm's profitability has improved significantly in the period since those valuations were undertaken, and cash reserves have also grown considerably. The share price continues to be a poor indicator of the value of the underlying business and reflects the lack of share trading liquidity.

Australia and NZ

Management estimate that the total Australian market size is approximately A$50 million pa, and Hire Intelligence's market share (including franchisees) is approximately 20%. There are a limited number of significant short-term rental competitors in each capital city, and on a number of outlets basis as well as rental income, Hire Intelligence is the clear market leader.

The Australian market includes specialist AV and staging companies with national or eastern seaboard scope. They compete with Hire Intelligence at one end of the product spectrum, but are more prominent in major events and trade shows (eg major AGMs, large trade shows).

UK and Ireland

The total short term rental market in the UK is believed to approximate £35 million a year.
Although the largest chain by number of outlets, Hire Intelligence's (including franchisees) market share currently only represents approximately 7.4%.

Underlying earnings

Hire Intelligence achieved sales revenue of $11.19 million (2008: $11.46 million) for the 2009 financial year, while earnings before interest and tax (EBIT) for the period was down 54% at $0.9 million (2008: $1.9 million). The net profit for FY2009 of $1.0 million compares with $1.7 million in FY2008 and accounts for $0.5million write off on Q Ltd, Busby Web Solutions making a trading loss of $0.5 million and legal costs associated with a Franchisee coupled with restructuring costs of $0.3 million.

The business is profitable, and is essentially debt free. Cash on hand at year end was $6.8 million.

30 June	**2005**	**2006**	**2007**	**2008**	**2009**
Net Tangible Assets Per Share (cents per shares)	9.9	12.0	12.4	12.2	12.4
Cash Assets $(000)	5,400	7,084	7,882	7,284	6,794
Sales Revenue	8,504	9,058	9,465	11,465	11,194
Sales Revenue % Increase/(decrease) over prior year		6.5%	4.5%	21.1%	(2.4)%

Net tangible assets on 30 June 2009 were 12.4 cents per share while Cash Assets were$6.8 million. Sales Revenue decreased marginally by 2.4% during FY2009.

Net assets per share at 30 June 2009 were 17.2 cents.

Future

Hire Intelligence anticipates growth in earnings before interest and tax in the 2010 financial year. As a result it anticipates paying a fully franked dividend during the current financial year.

The business remains financially sound with the company holding cash reserves, generating positive operating cash flows and having no net debt.

Your Board is considering a wide range of structural and investment opportunities.

Significant changes in the state of affairs

There were no significant changes in the nature of business or the state of affairs of the consolidated entity during the year.

7. DIVIDENDS

The following dividends were paid or provided for during the period:

20 August 08	Fully franked 2 cent dividend of $1,540,659.10 was paid
30 June 09	Fully franked 1 cent dividend of $770,329.58 was declared

8. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any other 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.

9. LIKELY DEVELOPMENTS

The consolidated entity will continue to pursue its policy of increasing the profitability and market share of its major business sectors during the next financial year.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

10. DIRECTORS' INTERESTS

The relevant interest of each director in the shares or options over such instruments issued by the companies within the consolidated entity and other related bodies corporate, as notified by the directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Hire Intelligence International Limited	
	Ordinary shares	**Options over ordinary shares**
Tom Crage	70,307,764	Nil
Keegan Crage	Nil	Nil
Jason Crage	Nil	Nil

11. SHARE OPTIONS

OPTIONS GRANTED TO DIRECTORS AND OFFICERS OF THE COMPANY

No options have been granted during the financial year.

Shares issued on exercise of options

During or since the end of the financial year, the Company has not issued any ordinary shares as a result of the exercise of options (there were no amounts unpaid on the shares issued).

12. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

INDEMNIFICATION

The Company has agreed to indemnify the following current directors of the Company, Thomas Crage, Keegan Crage and Jason Crage, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

INSURANCE PREMIUMS

Since the end of the previous financial year the Company has paid insurance premiums of $10,377 (2008: $10,735) in respect of directors' and officers' liability and legal expenses' insurance contracts, for current and former directors and officers, including senior executives of the Company and directors, senior executives and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage

The premiums were paid in respect of the following officers of the Company and its controlled entities:

- premiums totalling $10,377 (2008: $10,735) were paid in respect of the following current directors of the Company: Thomas Crage, Keegan Crage and Jason Crage

The insurance policies outlined above do not contain details of the premiums paid in respect of individual officers of the Company.

13. NON-AUDIT SERVICES

During the year the Company's auditor, has not performed any other services in addition to their statutory duties.

Details of the amounts paid to the auditor of the Company, BDO, and its related practices for audit and non-audit services provided during the year are set out below. In addition, amounts paid to other auditors for the statutory audit have been disclosed:

	Consolidated	
	2009 Actual $	2008 Actual $
Audit services (BDO):		
Auditors of the Company audit and review of financial reports	46,749	65,977
	46,749	65,977
Services other than statutory audit:		
Other services		
Other assurance services	3,960	-
Taxation compliance service	13,000	11,550
	63,709	77,527

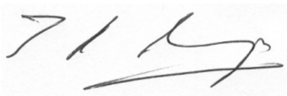
14. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 23 and forms part of the directors' report for financial year ended 30 June 2009.

15. ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:



Tom Crage
Executive Chairman
Dated at Perth this 31st day of August 2009

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
SUBIACO WA 6008
PO Box 700
WEST PERTH WA 6872
Phone 61 8 9380 8400
Fax 61 8 9380 8499
aa.perth@bdo.com.au
www.bdo.com.au

ABN 79 112 284 787

31 August 2009

The Directors
Hire Intelligence International Limited
2/110 Jersey Street
Jolimont WA 6014

Dear Sirs

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF HIRE INTELLIGENCE INTERNATIONAL LIMITED

As lead auditor of Hire Intelligence International Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hire Intelligence International Limited and the entities it controlled during the period.

C Burton

Chris Burton
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, 31 August 2009

		Consolidated		The Company	
In thousands of AUD	**Note**	**2009**	2008	**2009**	2008
Sales Revenue	1,2,3	11,194	11,465	7,768	8,924
Cost of sales		(2,912)	(2,553)	(2,481)	(1,916)
Gross profit		8,282	8,912	5,287	7,008
Dividend income		-	-	7,071	-
Other Income		-	10	-	10
Distribution expenses		(505)	(386)	(383)	(302)
Marketing expenses		(713)	(810)	(473)	(514)
Occupancy expenses		(696)	(622)	(487)	(451)
Administrative expenses		(4,980)	(5,185)	(3,355)	(3,757)
Forgiven debts		-	-	(837)	-
Amortisation of trademarks	17	(12)	(7)	(12)	(7)
Impairment of available for sale investments		(503)	-	(4,887)	-
Results from operating activities	4,5	873	1,912	1,924	1,987
Financial income	7	393	536	397	482
Financial expenses	7	(1)	(1)	(1)	(1)
Net financing income		392	535	396	481
Profit before tax	2	1,265	2,447	2,320	2,468
Income tax (expense)	2,8	(299)	(742)	190	(340)
Profit for the year	2	966	1,705	2,510	2,128
Profit attributable to equity holders of the parent		966	1,705	2,510	2,128
Earnings per share for profit attributable to the ordinary equity holders of the Company:					
Basic earnings per share	9	1.25cps	2.21cps		
Diluted earnings per share	9	1.25cps	2.21cps		

The income statements are to be read in conjunction with the notes of the financial statements set out on pages 30 to 61.

In thousands of AUD **Consolidated**	**Issued capital**	**Retained earnings**	**Translation reserve**	**Total equity**
For the financial year ended 30 June 2008				
Opening Balance at 1 July 2007	**37,729**	**(24,292)**	**(194)**	**13,243**
Foreign exchange translation differences	-	-	(296)	(296)
Total profit items recognised directly in equity for the year	-	-	(296)	(296)
Net profit	-	1,705	-	1,705
Total recognised income and expenses for the year	**-**	1,705	**-**	1,705
Dividends	-	(1,541)	-	(1,541)
Closing balance at 30 June 2008	**37,729**	**(24,128)**	**(490)**	**13,111**
For the financial year ended 30 June 2009				
Opening Balance at 1 July 2008	**37,729**	**(24,128)**	**(490)**	**13,111**
Foreign exchange translation differences	-	-	(36)	(36)
Total profit items recognised directly in equity for the year	**-**	**-**	**(36)**	**(36)**
Net profit	-	966	-	966
Total recognised income and expenses for the year	**-**	**966**	**-**	**966**
Dividends	-	(770)	-	(770)
Closing balance at 30 June 2009	**37,729**	**(23,932)**	**(526)**	**13,271**

Company				
For the financial year ended 30 June 2008				
Opening Balance at 1 July 2007	**37,729**	**(26,323)**	**(94)**	**11,312**
Foreign exchange translation differences	-	-	(364)	(364)
Total profit items recognised directly in equity for the year	**-**	**-**	**(364)**	**(364)**
Net profit	-	2,128	-	2,128
Total recognised income and expenses for the year	**-**	**2,128**	**-**	**2,128**
Dividends	-	(1,541)	-	(1,541)
Closing balance at 30 June 2008	**37,729**	**(25,736)**	**(458)**	**11,535**
For the financial year ended 30 June 2009				
Opening Balance at 1 July 2008	**37,729**	**(25,736)**	**(458)**	**11,535**
Foreign exchange translation differences	-	-	(121)	(121)
Total profit items recognised directly in equity for the year	**-**	**-**	**(121)**	**(121)**
Net profit	-	2,510	-	2,510
Total recognised income and expenses for the year	**-**	**2,510**	**-**	**2,510**
Dividends	-	(770)	-	(770)
Closing balance at 30 June 2009	**37,729**	**(23,996)**	**(579)**	**13,154**

The statements of changes in equity are to be read in conjunction with the notes of the financial statements set out on pages 30 to 61.

		Consolidated		The Company	
In thousands of AUD	Note	**2009**	2008	**2009**	2008
Assets					
Cash and cash equivalents	10	6,794	7,284	4,989	5,481
Trade and other receivables	11	1,127	1,538	1,028	1,053
Inventories	12	118	133	64	52
Other assets	13	161	155	143	140
Total current assets		8,200	9,110	6,224	6,726
Investments	28	-	-	4,226	8,609
Available for sale financial asset	28	11	534	11	534
Receivables	11	181	740	2,455	1,984
Deferred tax assets	15	410	167	396	137
Property, plant and equipment	16	3,350	3,488	2,392	2,524
Intangible assets	17	3,713	3,716	4	11
Total non-current assets		7,665	8,645	9,484	13,799
Total assets		15,865	17,755	15,708	20,525
Liabilities					
Trade and other payables	18	892	1,201	1,235	6,602
Interest-bearing loans and borrowings	19	-	-	-	-
Deferred income	20	300	245	210	179
Income tax payable	14	94	390	94	390
Employee benefits	21	140	276	107	187
Provisions	22	839	1,697	777	1,543
Total current liabilities		2,265	3,809	2,423	8,901
Deferred income	20	180	738	-	-
Employee benefits	21	149	97	131	89
Total non-current liabilities		329	835	131	89
Total liabilities		2,594	4,644	2,554	8,990
Net assets		13,271	13,111	13,154	11,535
Equity					
Issued capital	23	37,729	37,729	37,729	37,729
Reserves	23	(526)	(490)	(579)	(458)
Retained earnings	23	(23,932)	(24,128)	(23,996)	(25,736)
Total equity attributable to equity holders of the parent		13,271	13,111	13,154	11,535

The balance sheets are to be read in conjunction with the notes to the financial statements set out on pages 29 to 60.

		Consolidated		The Company	
In thousands of AUD	**Note**	**2009**	2008	**2009**	2008
Cash flows from operating activities					
Cash receipts from customers		12,429	12,159	8,121	9,971
Cash paid to suppliers and employees		(9,402)	(8,505)	(5,771)	(7,112)
Cash generated from operations		3,027	3,654	2,350	2,859
Other revenue		-	10	-	10
Interest paid		(1)	(1)	(1)	(1)
Income taxes (paid)/benefit		(837)	(1,119)	(837)	(1,119)
Net cash inflow from operating activities	29	2,189	2,544	1,512	1,749
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		391	193	435	261
Payments for property, plant and equipment		(1,937)	(2,850)	(1,424)	(2,056)
Payments for other non-current assets		(8)	(19)	(5)	(5)
Proceeds from equity investments		19	-	19	-
Payments for equity investments		-	(534)	-	(534)
Interest received		393	536	397	482
Net cash (outflow) from investing activities		(1,142)	(2,674)	(578)	(1,852)
Cash flows from financing activities					
Loans from controlled entities repaid		-	-	(6,474)	-
Dividends from controlled entities received		-	-	6,474	-
Receivables from controlled entities received		-	-	111	-
Dividends paid		(1,537)	(468)	(1,537)	(468)
Net cash inflow/(outflow) from financing activities		(1,537)	(468)	(1,426)	(468)
Net increase in cash and cash equivalents		(490)	(598)	(492)	(571)
Cash and cash equivalents at 1 July		7,284	7,882	5,481	6,052
Cash and cash equivalents at 30 June	10	6,794	7,284	4,989	5,481

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 30 to 61.

1. SIGNIFICANT ACCOUNTING POLICIES

Hire Intelligence International Limited (the 'Company') is a company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2009 comprises the Company and its subsidiaries together (referred to as the 'consolidated entity').

The financial report was authorised for issue by the directors on 31st August 2009.

a. Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board 'AASB'), other authoritative pronouncements adopted by the Australian AIG Standards Board, Urgent Issues Group interpretations and the Corporations Act 2001. International Financial Reporting Standards ('IFRSs') form the basis of Australian Accounting Standards ('AASBs') adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS ('AIFRS') to distinguish from previous Australian GAAP. Compliance with AIFRS ensures that the financial report of Hire Intelligence International Limited complies with the International Financial Reporting Standards.

b. Basis of preparation

The financial report is presented in Australian dollars.

The financial report is prepared on the historical cost basis. Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 1y).

The accounting policies have been applied consistently by all entities in the consolidated entity.

c. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

ii. Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

d. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

ii. Financial statements of foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences on translation are recognised as a separate component of equity.

iii. Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges are taken to translation reserve. They are released into the income statement upon disposal.

e. Property, plant and equipment

i. Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy j). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

ii. Leased assets

Leases in terms of which the consolidated entity assumes substantially all the risks and rewards of ownership are classified as finance leases. An asset acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see accounting policy j(i)).

iii. Depreciation

All items of property, plant and equipment have limited useful lives and are depreciated/amortised using methods described below over their estimated useful lives.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally generated assets, from the time an asset is completed and held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed.

The depreciation/amortisation rates or useful lives used for each class of asset are as follows:

	2009	2008	Method
Property, plant and equipment			
Leasehold improvements	12%-20%	12%-20%	reducing balance
Minor assets	33.3%	40%	straight line / reducing balance
Plant and equipment	20%-40%	20%-40%	reducing balance

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

f. Intangible assets

i. Goodwill

Business combinations

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment (see accounting policy j).

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

ii. Other intangible assets

Other intangible assets that are acquired by the consolidated entity are stated at cost less accumulated amortisation (see below) and impairment losses (see accounting policy (j)).

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

iii. Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

iv. Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives in the current and comparative periods are as follows:

- patents and trademarks 5 years
- capitalised development costs 5 years

g. Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

h. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition

i. Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits.

j. Impairment

The carrying amounts of the consolidated entity's assets, inventories (see accounting policy h), and deferred tax assets (see accounting policy r), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. (see accounting policy j(i))

For goodwill and assets that have an indefinite useful life the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

i. Calculation of recoverable amount

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii. Reversals of impairment

Impairment losses, other than in respect of Goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the date the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

iii. Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired
- the consolidated entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party
- the consolidated entity has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

k. Investments and other financial assets

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 11) and receivables (note 11) in the balance sheet.

ii. Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

l. Share capital

Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

m. Employee benefits

i. Long-term service benefits

The consolidated entity's net obligation in respect of long-term service benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the consolidated entity's obligations.

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

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

iii. Accumulated contribution superannuation fund

Obligations for contributions to accumulated contribution funds are recognised as an expense in the income statement as incurred.

n. Provisions

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

o. Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30-day terms.

p. Financial assets

The franchise business has current franchise agreements in terms of which certain minimum royalty revenues are receivable by the consolidated entity. These revenues conform to the definition of financial assets under AIFRS. Accordingly the future minimum receivable amounts under these agreements are recognised as a receivable with a corresponding adjustment to deferred revenues. The assets and their corresponding deferred income balance is determined by discounting future cash flows using an appropriate pre tax discount rate. Accounting policy (p) below sets out the revenue recognition basis for this income.

q. Revenue

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. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured.

i. Rental contracts

Rental revenue is recognised on a straight line basis over the term of the rental agreement. Where revenue is received in advance it is deferred and recognised as unearned revenue in the balance sheets. Unearned revenue is then recognised in the income statements over the term of the rental agreement.

ii. Franchise fees

Initial franchise fees are recognised at the date the franchise passes to the franchisee, usually upon completion of the initial training course. Ongoing franchise fees are recognised as they accrue. Minimum future fixed fees are deferred and are only recognised in the income statement when they become due and payable.

iii. Sale of licences and other goods

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

iv. Rendering of services

Revenue from rendering of services is recognised as it accrues in the period in which the service is provided.

v. Interest revenue

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

vi. Sale of non-current assets

The net gain or loss of non-current asset sales is included in other revenue at the date control that 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.

vii. Government grants

Any government grant is recognised in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the consolidated entity will comply with the conditions attaching to it. Grants that compensate the consolidated entity for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the consolidated entity for the cost of an asset are recognised in the income statement as other income on a systematic basis over the useful life of the asset.

r. Expenses

i. Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

ii. Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

iii. Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, dividend income and foreign exchange gains and losses. Borrowing costs are expensed as incurred and included in net financing costs.

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest method.

s. Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

i. Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Hire Intelligence International Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the ‘separate taxpayer within group’ approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

ii. Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter-entity receivables (payables) are interest free and at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity’s obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

t. Segment reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

u. Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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 with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO or UK tax authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows 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 or UK tax authority are classified as operating cash flows.

v. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

w. Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, there is no gain or loss recognised in the profit and loss, the instruments are cancelled and deducted from equity, and the consideration paid (net of income tax) is recognised directly in equity.

x. Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

y. Accounting estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the consolidated entity's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Key sources of estimation uncertainty

Note 17 contains information about the assumptions and their risk factors relating to goodwill impairment. In note 24 detailed analysis is given of the foreign exchange exposure of the consolidated entity and risks in relation to foreign exchange movements.

ii. Impairment of goodwill and intangibles with indefinite useful lives

The consolidated entity assesses whether goodwill and intangibles with indefinite useful lives are impaired at least annually in accordance with the accounting policy in note 16. These calculations involve an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

z. New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's and parent entity's assessment of the impact of these new standards and interpretations is set out below.

i. AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective 1 January 2009)

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and decision how to allocate resources to operating segments. The Group will adopt AASB 8 from 1 July 2009. It is likely to result in an increase in the number of reportable segments presented. In addition, the segments will be reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated by management to groups of cash-generating units on a segment level, the change in reportable segment may also require a reallocation of goodwill. However, this is not expected to result in any additional impairment of goodwill.

ii. Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective 1 January 2009)

The revised AASB 123 has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group already capitalises borrowing costs relating to qualifying assets.

iii. Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective 1 January 2009)

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group will apply the revised standard from 1 July 2009.

iv. AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations (effective 1 January 2009)

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not besting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply the revised standard from 1 July 2009, but it is not expected to affect the accounting for the Group's share-based payments.

v. Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 January 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Group's current policy which is set out in note 1(i) above.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses, see note 1(b)(i). The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the Group's current accounting policy.

The Group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

vi. AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 July 2009)

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Group will apply the amendments prospectively to all partial disposals of subsidiaries from 1 July 2009.

vii. AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)

In July 2008, the AASB approved amendments to AASB 1 First-time Adoption of International Financial Reporting Standards and AABS 127 Consolidated and Separate Financial Statements. The Group will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment. Under the entity’s current policy, these dividends are deducted from the cost of the investment. Furthermore, when a new intermediate parent entity is created in internal reorganisations it will measure its investment in subsidiaries at the carrying amounts of the net assets of the subsidiary rather than the subsidiary's fair value.

viii. AASB Interpretation 15 Agreements for the Construction of Real Estate (effective 1 January 2009)

AASB-I 15 clarifies whether AASB 118 Revenue or AASB 111 Construction Contracts should be applied to particular transactions. The Group intends to apply the interpretation from 1 July 2009. It has reviewed its current agreements for the sale of real estate in light of the new guidance and concluded that there would be no change to the accounting for these agreements if AASB-I 15 was adopted in the current financial year. Consequently, it does not expect to make any adjustment on the initial application of AASB-I 15.

ix. AASB Interpretation 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)

AASB-I 16 clarifies which foreign currency risks qualify as hedged risk in the hedge of a net investment in a foreign operation and that hedging instruments may be held by any entity or entities within the group. It also provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. The Group will apply the interpretation prospectively from 1 July 2009. There will be no changes to the accounting for the existing hedge of the net investment in the Indonesian subsidiary (see note 15).

x. AASB 2008-8 Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective 1 July 2009)

AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Group will apply the amended standard from 1 July 2009. It is not expected to have a material impact on the Group’s financial statements.

xi. AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17

AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders. These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution. This is different to the Group’s current policy which is to measure distributions of non-cash assets at their carrying amounts. The interpretation further clarifies when a liability for the dividend must be recognised and that it is also measured at fair value. The Group will apply the interpretation prospectively from 1 July 2009.

2. SEGMENT REPORTING

Segment information is presented in respect of the consolidated entity's business segments. This format is based on the consolidated entity's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The consolidated entity comprises the following main business segments:

- IT and AV equipment rentals
- Franchising
- Web development

Geographical segments

The consolidated entity comprises the following geographical segments:

- Australia
- United Kingdom

a. Business segments

	Computer Equipment Rentals		**Franchising**		**Web Development**		**Eliminations**		**Consolidated**	
In thousands of AUD	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Revenue										
External segment revenue	10,454	10,278	615	1,128	125	59	**-**		**11,194**	11,465
Inter-segment revenue	-	-	310	244	837	-	(1,147)	(244)	**-**	-
Total segment revenue	10,454	10,278	925	1,372	962	59	(1,147)	(244)	**11,194**	11,465
Total revenue									11,194	11,465
Result										
Segment result	1,751	2,101	608	1,162	385	(606)	(837)	-	1,907	2,657
Unallocated corporate expenses – other									(642)	(210)
Profit before tax									1,265	2,447
Income tax expense									(299)	(742)
Net profit									966	1,705
Depreciation	1,626	1,541	**-**	-	**-**	-	-	-	1,626	1,541
Amortisation	12	7	**-**	-	**-**	-	-	-	12	7
Assets										
Segment assets excluding intangible assets	**8,918**	10,513	**3,218**	3,495	**16**	31	-	**-**	12,152	14,039
Intangible assets	**3,199**	3,205	**499**	499	**15**	12	-	-	3,713	3,716
Consolidated total assets									15,865	17,755
Liabilities										
Segment liabilities	**1,105**	2,657	**1,480**	1,294	**9**	693	-	**-**	2,594	4,644
Consolidated total liabilities										4,644
Acquisition of non-current assets	**1,937**	2,850	**-**	-	-	-		**-**	1,937	2,850

Please note that the Web Development segment made a pre debt forgiveness trading loss of $0.5million.

3. REVENUE

	Consolidated		The Company	
In thousands of AUD	**2009**	**2008**	**2009**	**2008**
From continuing operations				
Sales revenue				
Sale of goods	383	192	430	261
Sale of services	10,811	11,273	7,338	8,663
	11,194	11,465	7,768	8,924

4. OTHER INCOME AND EXPENSES

	Consolidated		The Company	
In thousands of AUD	**2009**	**2008**	**2009**	**2008**
Net bad and doubtful debts	(13)	17	(12)	19
Forgiven debts	-	-	(837)	-
Intercompany dividends received	-	-	7,071	1,359
Operating lease rental payments	(559)	(547)	(377)	(398)
Foreign exchange gains / (losses)	18	(5)	17	-
Impairment	(503)	-	(503)	-
Depreciation	(1,626)	(1,549)	(1,151)	(1,084)
Amortisation	(12)	(7)	(12)	(7)

5. PERSONNEL EXPENSES

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Wages and salaries	3,147	3,045	2,063	2,097
Increase /(decrease) in liability for bonus	(76)	111	(66)	85
Contributions to defined contribution superannuation funds	195	196	105	118
Increase in liability for annual and long service leave	192	133	102	90
	3,458	3,485	2,204	2,390

6. AUDITORS' REMUNERATION

	Consolidated		The Company	
In actual AUD	**2009**	2008	**2009**	2008
Audit services				
Auditors of the Company				
BDO –Audit services	46,749	65,977	46,749	65,977
	46,749	65,977	46,749	65,977
Other services				
Other assurance services	3,960	-	3,960	-
Taxation services	13,000	11,550	13,000	11,550
	63,709	77,527	63,709	77,527

7. NET FINANCING INCOME

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Interest income	393	536	397	482
Financial income	393	536	397	482
Interest expense	(1)	(1)	(1)	(1)
Financial expenses	(1)	(1)	(1)	(1)
Net financing income	392	535	396	481

8. INCOME TAX EXPENSE

RECOGNISED IN THE INCOME STATEMENT

		Consolidated		The Company	
In thousands of AUD	**Note**	**2009**	2008	**2009**	2008
Current tax expense					
Current year		523	687	51	288
Adjustments for prior years		(6)	6	(6)	6
Foreign exchange adjustments		25	-	25	
		542	693	70	294
Deferred tax expense					
Origination and reversal of temporary differences		(243)	49	(260)	46
	15	(243)	49	(260)	46
Total income tax expense/(benefit) in income statement		299	742	(190)	340
Attributable to:					
Continuing operations		299	742	(190)	340
		299	742	(190)	340

Numerical reconciliation between tax expense and pre-tax net profit					
Profit before tax		1,265	2,447	2,320	2,468
Income tax expense/(benefit) using the domestic corporation tax rate of 30% (2008: 30%)		379	734	696	740
Increase in income tax expense due to:					
International tax rate differences		22		22	
Non-deductible expenses		4	2	1,319	2
Decrease in income tax expense due to:					
Non assessable income		-	-	(2,121)	(408)
Effect on tax rate in foreign jurisdictions		25	-	25	-
		430	736	(59)	334
Prior year deferred tax adjustment		(125)	-	(125)	-
Under / (over) provided in prior years		(6)	6	(6)	6
Income tax expense on pre-tax net profit		299	742	(190)	340

9. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

The calculation of basic earnings per share at 30 June 2009 was based on the profit attributable to ordinary shareholders of 1.17 cents per share (2008: 2.21 cents per share) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2009 of 77,032,958 (2008: 77,032,958), calculated as follows:

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

	Consolidated	
In thousands of AUD	**2009**	2008
Profit for the period	966	2,510

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	Consolidated	
In thousands of AUD	**2009**	2008
Issued ordinary shares throughout the year	77,032,958	77,032,958

DILUTED EARNINGS PER SHARE

There were no dilutive instruments during the year.

10. CASH AND CASH EQUIVALENTS

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Bank balances	2,651	3,443	846	1,640
Bank negotiable certificate of deposit	4,143	3,841	4,143	3,841
Cash and cash equivalents	6,794	7,284	4,989	5,481

The bank negotiable certificate of deposit has a maturity date of 20 August 2009 and bears interest at 4.15% (2008: 8.10%).

The group has nil (2008:273,498) facilities available but not drawn down as at 30 June 2009.

11. TRADE AND OTHER RECEIVABLES

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Current				
Other trade receivables	1,048	1,399	949	914
Fixed franchise fees	-	-	-	-
Rent bond	79	139	79	139
	1,127	1,538	1,028	1,053
Non-current				
Fixed franchise fees	181	740	-	-
Loans to controlled entities	-	-	2,455	1,984
	181	740	2,455	1,984

As at 30 June 09 there were no impaired receivables (30 June 08 : Nil). Please refer to note 24 for details of receivables that are past due but not impaired.

12. INVENTORIES

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Finished goods	118	133	64	52

13. OTHER ASSETS

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Prepayments	161	154	143	141

14. CURRENT TAX ASSETS AND LIABILITIES

The current tax liability for the consolidated entity of $94,000 (2008: $390,000) and for the Company of $94,000 (2008: $390,000) represents the amount of income taxes payable in respect of current and prior financial periods. In accordance with the tax consolidation legislation, the Company as the head entity of the Australian tax-consolidated group has assumed the current tax liability (asset) initially recognised by the members in the tax-consolidated group.

15. DEFERRED TAX ASSETS AND LIABILITIES

RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

Consolidated	**Assets**		**Liabilities**		**Net**	
In thousands of AUD	**2009**	2008	**2009**	2008	**2009**	2008
Employee benefits	73	108	-	-	73	108
Provisions	139	-	-	-	139	-
Other creditors	65	89	-	-	65	89
Depreciable assets	152	-	-	-	152	-
Accrued Income	-	-	(19)	(30)	(19)	(30)
Tax (assets) / liabilities	429	197	(19)	(30)	410	167

The Company	**Assets**		**Liabilities**		**Net**	
In thousands of AUD	**2009**	2008	**2009**	2008	**2009**	2008
Employee benefits	61	78	-	-	61	78
Provisions	139	-	-	-	139	-
Other creditors	63	88	-	-	63	88
Depreciable assets	152	-	-	-	152	-
Accrued Income	-	-	(19)	(29)	(19)	(29)
Tax (assets) / liabilities	415	166	(19)	(29)	396	137

In accordance with accounting standards, the deferred tax assets and liabilities have applied the set off provisions to net off the amounts.

Movements – Consolidated	**Employee Benefit**	**Provisions**	**Depreciable Assets**	**Other**	**Total**
In thousands of AUD					
At 1 July 2007	88	-	-	140	228
(Charged)/credited to income statement	20	-	-	(81)	(61)
(Charged/credited directly to equity	-	-	-	-	-
As at 30 June 2008	108	-	-	59	167
At 1 July 2008	108	-	-	59	167
(Charged)/credited to income statement	**(35)**	**139**	**152**	**(13)**	**243**
(Charged/credited directly to equity	**-**	**-**	**-**	**-**	**-**
As at 30 June 2009	**73**	**139**	**152**	**46**	**410**

16. PROPERTY, PLANT AND EQUIPMENT

		Consolidated			The Company		
	Note	Leasehold improvements	Plant and equipment	Total	Leasehold improvements	Plant and equipment	Total
In thousands of AUD							
Cost							
Balance at 1 July 2007		362	6,113	6,475	254	3,433	3,687
Acquisitions		-	3,010	3,010	-	2,239	2,239
Disposals		-	(1,089)	(1,089)	-	(359)	(359)
Effect of movements in foreign exchange		(27)	(377)	(404)	(27)	(380)	(407)
Balance at 30 June 2008		335	7,657	7,992	227	4,933	5,160
Balance at 1 July 2008		335	7,657	7,992	227	4,933	5,160
Acquisitions		3	2,197	2,200	3	1,443	1446
Disposals		-	(1,574)	(1,574)	-	(923)	(923)
Effect of movements in foreign exchange		(4)	(249)	(253)	(4)	(178)	(182)
Balance at 30 June 2009		334	8,031	8,365	226	5,275	5,501

		Consolidated			The Company		
	Note	Leasehold improvements	Plant and equipment	Total	Leasehold improvements	Plant and equipment	Total
In thousands of AUD							
Depreciation and impairment losses							
Balance at 1 July 2007		117	3,580	3,697	40	1,800	1,840
Depreciation charge for the year		44	1,497	1,541	38	1,032	1,070
Disposals		-	(609)	(609)	-	(149)	(149)
Effects of movements in foreign exchange	23	(7)	(118)	(125)	(7)	(118)	(125)
Balance at 30 June 2008		154	4,350	4,504	71	2,565	2,636
Balance at 1 July 2008		154	4,350	4,504	71	2,565	2,636
Depreciation charge for the year		35	1,591	1,626	30	1,100	1,130
Disposals		-	(888)	(888)	-	(431)	(431)
Effects of movements in foreign exchange		(2)	(225)	(227)	(1)	(225)	(226)
Balance at 30 June 2009		187	4,828	5,015	100	3,009	3,109
Carrying amounts							
At 1 July 2007		245	2,533	2,778	214	1,633	1,847
At 30 June 2008		181	3,307	3,488	156	2,368	2,524
At 1 July 2008		181	3,307	3,488	156	2,368	2,524
At 30 June 2009		147	3,203	3,350	126	2,266	2,392

17. INTANGIBLE ASSETS

	Consolidated			The Company		
In thousands of AUD	Goodwill	Patents and Trademarks	Total	Goodwill	Patents and Trademarks	Total
Cost						
Balance at 1 July 2007	11,137	1,863	13,000	-	1,863	1,863
Acquisitions	-	19	19		6	6
Balance at 30 June 2008	11,137	1,882	13,019	-	1,869	1,869
Balance at 1 July 2008	11,137	1,882	13,019	-	1,869	1,869
Acquisitions	-	9	9		5	5
Balance at 30 June 2009	11,137	1,891	13,028	-	1,874	1,874
Amortisation and impairment losses						
Balance at 1 July 2007	7,438	1,858	9,296	-	1,851	1,858
Amortisation	-	7	7	-	7	7
Balance at 30 June 2008	7,438	1,865	9,303	-	1,858	1,858
Balance at 1 July 2008	7,438	1,865	9,303	-	1,858	1,858
Amortisation	-	12	12	-	12	12
Balance at 30 June 2009	7,438	1,877	9,315	-	1,870	1,870
Carrying amounts						
At 1 July 2007	3,699	5	3,704	-	12	12
At 30 June 2008	3,699	17	3,716	-	11	11
At 1 July 2008	3,699	17	3,716	-	11	11
At 30 June 2009	3,699	14	3,713	-	4	4

AMORTISATION AND IMPAIRMENT CHARGE

The amortisation and impairment charge is recognised in the following line items in the income statement:

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Amortisation of trademarks	(12)	(7)	(12)	(7)

IMPAIRMENT TESTS FOR CASH GENERATING UNITS CONTAINING GOODWILL

The following business units have significant carrying amounts of goodwill:

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Franchising business – Cityside Asset Pty Ltd	980	980	-	-
Sydney operation – Hi-Intelli Pty Ltd	2,719	2,719	-	-
	3,699	3,699	-	-

The recoverable amount of both of the above cash-generating units is based on value in use calculations. Those calculations use cash flow projections based on actual operating results and the annual business plan. Cash flows for a further 5-year period are extrapolated using varying limited growth rates which are considered appropriate. A pre-tax discount rate of 13 per cent (2008: 13%) has been used in discounting the projected cash flows.

The key assumptions and the approach to determining their value in the current and previous period are:

Assumption	How determined
CPI for wages and cost growth	Statistical analysis of long-term CPI trends
Asset replacement cost	A material reduction in the replacement cost may impact both the volume of sales required to maintain profitability and the willingness of customers to use the groups products. Replacement costs have been assumed to remain stable for the foreseeable future.
Franchisees renew contracts in accordance with terms and conditions in current franchise agreements	Timing and value of franchisee contract renewals have been estimated based on the terms of existing and proposed franchise agreements and an analysis of historical franchisee profitability.

The carrying amount of the business units are exceeded by its calculated value in use amount. Any adverse change in assumptions could reduce the units value in use amount below carrying amount.

18. TRADE AND OTHER PAYABLES

		Consolidated		The Company	
In thousands of AUD	**Note**	**2009**	2008	**2009**	2008
Trade payables		622	834	632	685
Accrued expenses		270	367	204	346
Loans from/ (to) controlled entities	31	-	-	399	5,571
		892	1,201	1,235	6,602

Loans from controlled entities are repayable on demand and are interest free.

19. INTEREST-BEARING LOANS AND BORROWINGS

The entity does not hold any interest bearing liabilities as at the reporting date.

20. DEFERRED INCOME

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Current				
Deferred contract income	300	245	210	179
	300	245	210	179
Non-current				
Fixed franchise fees	180	738	-	-

21. EMPLOYEE BENEFITS

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Current				
Liability for annual leave	140	276	107	187
	140	276	107	187
Non-current				
Liability for long-service leave	149	97	131	89
Total employee benefits	289	373	238	276

22. PROVISIONS

Consolidated	**Advertising fund**	**Dividends**	**Other**	**Totals**
In thousands of AUD				
Balance at 1 July 2007	39	470	59	568
Provisions made during the year	117	1,541	-	1,658
Provisions used during the year	-	(470)	(59)	(529)
Balance at 30 June 2008	156	1,541	-	1,697
Balance at 1 July 2008	156	1,541	-	1,697
Provisions made during the year	-	-	-	-
Provisions used during the year	(94)	(764)	-	(858)
Balance at 30 June 2009	62	777	-	839

Company				
In thousands of AUD				
Balance at 1 July 2007	-	470	64	534
Provisions made during the year	-	1,541	-	1,541
Provisions used during the year	-	(470)	(62)	(532)
Balance at 30 June 2008	-	1,541	2	1,543
Balance at 1 July 2008	-	1,541	2	1,543
Provisions made during the year	-	-	-	-
Provisions used during the year	-	(764)	(2)	(766)
Balance at 30 June 2009	-	777	-	777

In terms of the franchise agreements, Franchisees contribute a pre-determined monthly percentage of turnover to the Franchisor which is to be used for regional, national and international promotion. Company-owned operations also contribute on a similar basis to the fund. The advertising fund has been established in order to control the receipt and utilisation of these funds and is available for scrutiny by the Franchisees.

23. CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves attributable to equity holders of the parent

Consolidated	**Issued capital**	**Retained earnings**	**Translation reserve**	**Total equity**
For the financial year ended 30 June 2008				
In thousands of AUD				
Opening balance at 1 July 2007	37,729	(24,292)	(194)	13,243
Foreign exchange translation differences	-	-	(296)	(296)
Total non-profit items recognised directly in equity	-	-	(296)	(296)
Net profit	-	1,705	-	1,705
Dividends	-	(1,541)	-	(1,541)
Closing balance at 30 June 2008	37,729	(24,128)	(490)	13,111
For the financial year ended 30 June 2008				
In thousands of AUD				
Opening balance at 1 July 2008	37,729	(24,128)	(490)	13,111
Foreign exchange translation differences	-	-	(36)	(36)
Total non-profit items recognised directly in equity	-	-	(36)	(36)
Net profit	-	966	-	966
Dividends	-	(770)	-	(770)
Closing balance at 30 June 2009	37,729	(23,932)	(526)	13,271
Company				
For the financial year ended 30 June 2008				
In thousands of AUD				
Opening balance at 1 July 2007	37,729	(26,323)	(94)	11,312
Foreign exchange translation differences	-	-	(364)	(364)
Total non-profit items recognised directly in equity	-	-	(364)	(364)
Net profit	-	2,128	-	2,128
Dividends	-	(1,541)	-	(1,541)
Closing balance at 30 June 2008	37,729	(25,736)	(458)	11,535
For the financial year ended 30 June 2008				
In thousands of AUD				
Opening balance at 1 July 2008	37,729	(25,736)	(458)	11,535
Foreign exchange translation differences	-	-	(121)	(121)
Total non-profit items recognised directly in equity	-	-	(121)	(121)
Net profit	-	2,510	-	2,510
Dividends	-	(770)	-	(770)
Closing balance at 30 June 2009	37,729	(23,996)	(579)	13,154

Share Capital	**The Company Ordinary Shares**	
In thousands of shares	**2009**	**2008**
On issue at 1 July	77,032	77,032
On issue at 30 June – fully paid	77,032	77,032

Effective 1 July 1998 the Company Law Review Act abolished the concept of par value shares and the concept of authorised capital. Accordingly the company does not have authorised capital or par value in respect of its issued shares.

TRANSLATION RESERVE

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

DIVIDENDS

The following dividends were paid or provided for during the period:

20 August 08	Fully franked 2 cent dividend of $1,540,659.10 was paid
30 June 09	Fully franked 1 cent dividend of $770,329.58 was declared

No further dividends were declared, approved, or provided for during the period.

DIVIDEND FRANKING ACCOUNT

The Company	**2009**	2008
In thousands of AUD		
30 per cent franking credits available to shareholders of Hire Intelligence International Limited for subsequent financial years	3,280	3,417

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) franking credits that will arise from the payment of the current tax liabilities;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end;

(c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and

(d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

CAPITAL RISK MANAGEMENT

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistently with others in the industry, the Group and the parent entity monitor capital on the basis of the gearing ratio. Currently the group is debt free.

24. FINANCIAL RISK MANAGEMENT

The Group’s management of financial risk is aimed at ensuring net cash flows are sufficient to:

- Meet all its financial commitments as and when they fall due
- Maintain the capacity to fund its forecast business development strategies
- Ensure a reasonable return to shareholders, and
- Maintain a strong long term credit rating

Market, liquidity and credit risk arise in the normal course of the Group’s business. These risks are managed under Board approved directives which underpin treasury policies and procedures. The Group’s principal financial instruments include cash, trade receivable, and trade payables, which arise directly from operations.

CREDIT RISK

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The consolidated entity does not require collateral in respect of financial assets.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the balance sheet.

The maximum exposure to credit risk at the reporting date was as follows:

	Note	Consolidated		The Company	
In thousands of AUD		**2009**	2008	**2009**	2008
Cash and cash equivalents		6,794	7,284	4,989	5,481
Trade receivables	11	1,048	1,399	949	914

The following are details of receivables past due but not impaired.

In thousands of AUD	**Total**	**<30days**	**30-60 days**	**>60 days**
Consolidated Trade receivables	1,048	376	379	293
Parent Trade receivables	949	411	299	239

These relate to a number of independent customers for whom there is no recent history of default.

FOREIGN CURRENCY RISK

The consolidated entity is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the AUD. The currencies giving rise to this risk are primarily British Pounds, but the company has limited exposure to transactions denominated in Euros and New Zealand Dollars.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity’s functional currency and net investments in foreign operations. The risk is measured using sensitivity analysis and cash flow forecasting. The consolidated entity does not hedge the exposure in respect of monetary assets or liabilities.

As at 30 June 2009 and 30 June 2008, the Group and Company is not materially exposed foreign currency risk.

EFFECTIVE INTEREST RATES AND REPRICING ANALYSIS

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

	Note	Effective interest rate	Total	6 months or less	6-12 months
2009					
In thousands of AUD					
Cash and cash equivalents	10	4.15%	6,794	6,794	-
			6,794	6,794	-
2008					
In thousands of AUD	10	8.10%	7,284	7,284	-
Cash and cash equivalents			7,284	7,284	-

The Group is debt free and has limited interest rate risk.

ESTIMATION OF FAIR VALUES

All amounts reflected in the accounts approximate their estimated fair values. The following summarises the major methods and assumptions used in estimating the fair values.

FINANCE LEASE LIABILITIES

The fair value is estimated as the present value of future cash flows, discounted at market interest rates for homogeneous lease agreements. The estimated fair values reflect change in interest rates.

TRADE AND OTHER RECEIVABLES / PAYABLES

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value and are non interest bearing. All other receivables / payables are discounted to determine the fair value if the amounts are considered material.

25. OPERATING LEASES AND COMMITMENTS

LEASES AS LESSEE

Non-cancellable operating lease rentals are payable as follows:

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Less than one year	582	511	432	371
Between one and five years	724	1,649	475	1,329
More than five years	-	359	-	359
	1,306	2,519	907	2,059

The consolidated entity leases a number of trading facilities under operating leases. The leases typically run for a period of 2-3 years, with an option to renew the lease after that date. Lease payments are increased annually to reflect CPI. None of the leases includes contingent rentals.

During the financial year ended 30 June 2009, $559,000 was recognised as an expense in the income statement in respect of operating leases (2008: $547,000).

26. CONTINGENCIES

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

27. DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' report.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- Hi-Intelli Pty Ltd
- Cityside asset Pty Ltd
- Busby Web Solutions Pty Ltd

Balance Sheet	**The Company**	
In thousands of AUD	**2009**	2008
Assets		
Cash and cash equivalents	6,794	7,284
Trade and other receivables	1,127	1,538
Inventories	118	133
Other	161	155
Total current assets	8,200	9,110
Receivables	192	1,274
Deferred tax assets	410	167
Property, plant and equipment	3,350	3,488
Intangible assets	3,713	3,716
Total non-current assets	7,665	8,645
Total assets	15,865	17,755
Liabilities		
Trade and other payables	892	1,201
Interest-bearing loans and borrowings	-	-
Deferred Income	300	245
Income tax payable	94	390
Employee benefits	140	276
Provisions	839	1,697
Total current liabilities	2,265	3,809
Deferred income – long term	180	738
Employee benefits	149	97
Total non-current liabilities	329	835
Total liabilities	2,594	4,644
Net assets	13,271	13,111
Equity		
Issued capital	37,729	37,729
Reserves	(526)	(490)
Retained earnings	(23,932)	(24,128)
Total equity attributable to equity holders of the parent	13,271	13,111

28. INVESTMENTS

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Available for sale financial asset –listed equity	11	534	11	534
Investments in controlled entities at cost	-	-	4,226	8,609
	11	534	4,237	9,143

			Ownership interest	
In thousands of AUD	**Note**	**Country of Incorporation**	**2009**	**2008**
Parent entity				
Hire Intelligence International Limited		Australia		
Subsidiaries				
Hi- Intelli Pty Ltd		Australia	100%	100%
Cityside asset Pty Ltd		Australia	100%	100%
Web Solutions Pty Ltd (formerly Hire Intelligence USA Pty Ltd)		Australia	100%	100%

29. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

		Consolidated		The Company	
In thousands of AUD	**Note**	**2009**	**2008**	**2009**	**2008**
Cash flows from operating activities					
Profit for the period		966	1,705	2,510	2,128
Adjustments for:					
Depreciation	16	1,626	1,548	1,130	1,084
Amortisation	17	12	7	12	7
Foreign exchange movements		(36)	(296)	(121)	(364)
Net loss/(profit) on sale of investment assets		120	392	37	53
Impairment of available for sales assets		503	-	4,889	-
Investment income	7	(393)	(536)	(397)	(482)
(Decrease)/ increase in income tax payable		(296)	(438)	(296)	(438)
Operating profit before changes in working capital and provisions		2,502	2,382	7,764	1,988
(Increase)/decrease in other assets		178	7	82	(18)
(Increase)/decrease in deferred tax asset		(243)	61	(259)	58
(Increase)/decrease in other financial assets		523	(534)	523	(534)
(Increase)/decrease in trade and other receivables		970	(488)	(446)	(1,038)
(Increase)/decrease in inventories		15	(27)	(12)	8
(Decrease)/increase in deferred income		(503)	(144)	31	(38)
(Decrease)/increase in trade and other payables		(309)	25	(5,367)	227
(Decrease)/Increase in provisions and employee benefits		(944)	1,262	(804)	1,096
Net cash from operating activities		2,189	2,544	1,512	1,749

30. KEY MANAGEMENT PERSONNEL

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Executive directors
Tom Crage
(Chief Executive Officer and Chairman)
Keegan Crage

Non-executive directors
Jason Crage

Executives
Val Crage
Chris Hutber
Neil Levin
Dan Hill
Jerry van Driel-Vis

The key management personnel compensation included in ‘personnel expenses’ (see note 4) are as follows:

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
Short-term employee benefits	919	871	919	738
Post-employment benefits	247	253	247	242
	1,166	1,124	1,166	980

INDIVIDUAL DIRECTORS AND EXECUTIVES COMPENSATION DISCLOSURES

Information regarding individual directors and executives compensation is provided in the Remuneration Report section of the Directors’ report on pages 8 to 11.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors’ interests existing at year-end.

LOANS TO KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES (CONSOLIDATED)

There are no loans outstanding at the reporting date to key management personnel or their related parties.

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS WITH THE COMPANY OR ITS CONTROLLED ENTITIES

During the period Solution Minds Pty Ltd (formerly Formzest Pty Ltd) purchased equipment from the company at arm’s length for $2,141 (2008: $21,485). Jason Crage (Non Executive director) is a director of Solution Minds Pty Ltd and exerts significant influence over the financial and operating policies of the company.

During the period $24,680 (2008: $36,520) was paid to Ledger Corporate Pty Ltd or its associated entities in respect of professional consultancy services provided to the company. Ledger Corporate Pty Ltd’s Managing Director is a relative of Thomas Crage (Chief Executive Officer). These services are provided at arm’s length in all instances.

No other entities relating to any key management personnel transacted with the Company or its subsidiaries during the reporting period.

MOVEMENTS IN SHARES

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

	Held at 1 July 2007	Purchases	Sales / Expiration	Held at 1 July 2008
Ordinary shares				
Directors				
T R Crage	69,667,376	475,752	-	70,143,128

	Held at 1 July 2008	Purchases	Sales / Expiration	Held at 1 July 2009
Ordinary shares				
Directors				
T R Crage	70,143,128	164,636	-	70,307,764

No shares or options were granted to key management personnel as compensation during the reporting period.

31. OTHER RELATED PARTY TRANSACTIONS

	Consolidated		The Company	
In thousands of AUD	**2009**	2008	**2009**	2008
The aggregate amounts included in the profit from ordinary activities before income tax expense that resulted from transactions with non-director related parties are:				
Dividend income				
Wholly-owned controlled entities	-	-	7,071	1,359
Management services income				
Wholly-owned controlled entities	-	-	-	-
Receivables				
Amounts receivable other than trade debts				
Current				
Wholly-owned controlled entities	-	-	2,455	1,984
Payables				
Amounts payable other than trade creditors				
Current				
Wholly-owned controlled entities	-	-	399	5,571

Movements in Receivables – The Company		
Beginning of the year	1,984	1,585
Loans advanced/ (repaid)	471	399
End of the year	2,455	1,984

Movements in Payables- The Company		
Beginning of the year	5,571	5,588
Loans forgiven	(837)	-
Loans repayments made	(4,335)	(17)
End of the year	399	5,571

32. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any other 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.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Hire Intelligence International Limited ('the Company'):

(a) the financial statements and notes as set out on pages 24 to 60, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Company and the consolidated entity as at 30 June 2009 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements; and

(b) the audited remuneration disclosures included in the Directors' report For the year ended 30 June 2009, comply with section 300A of the Corporations Act 2001.

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the controlled entities identified in Note 28 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those controlled entities pursuant to ASIC Class Order 98/1418.

3. The remuneration disclosed in the audited Remuneration Report in the Directors' report complies with Section 300A of the Corporations Act 2001.

4. The directors have been given the declarations required by Section 295A of the Corporations Act from the chief executive officer and chief financial officer for the financial year ended 30 June 2009.

Dated at 110 Jersey St, Jolimont Perth this 31st day of August 2009.

Signed in accordance with a resolution of the directors:

Thomas Crage

Director

BDO Kendalls

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF HIRE INTELLIGENCE INTERNATIONAL LIMITED

We have audited the accompanying financial report of Hire Intelligence International Limited, which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and statements of cash flow for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity 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 disclosing entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

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* would be in the same terms if it had been given to the directors at the time that this auditor's audit report was made.

Auditor's Opinion

In our opinion the financial report of Hire Intelligence International Limited is in accordance with the *Corporations Act 2001*, including:

(a) (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.*

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in section 4.4 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Hire Intelligence International Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001.*

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

C Burton

Chris Burton
Director

Signed in Perth, Western Australia
Dated this 31st day of August 2009.

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

SHAREHOLDINGS AS AT 28 AUGUST 2009

SUBSTANTIAL SHAREHOLDERS

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	%	Number
Hamwrex Nominees Pty Ltd and associated companies	91.26	70,307,764

VOTING RIGHTS

Ordinary shares

Refer to note 23 in the financial statements

Options

Refer to note 12 of the Directors Report

Distribution of equity security holders by number

Category	Ordinary shares
1 - 1,000	7
1,001 - 5,000	34
5,001 - 10,000	38
10,001 - 100,000	87
100,001 and over	17
	183

The number of shareholders holding less than a marketable parcel of ordinary shares is 20, holding 30,275 shares.

STOCK EXCHANGE

The Company is listed on the Australian Stock Exchange. The Home exchange is Perth.

OTHER INFORMATION

Hire Intelligence International Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

ON-MARKET BUY-BACK

There is no current on-market buy-back

TWENTY LARGEST SHAREHOLDERS

Name	Number of ordinary shares held	Percentage of capital held
HAMWREX NOMINEES PTY LIMITED	46,324,930	60.140
HIRE INTELLIGENCE PTY LTD <THE VALERIE UNIT A/C>	23,982,833	31.130
DAVID GRAY & COMPANY PTY LTD	580,000	0.750
DORRAN PTY LTD	500,000	0.650
DR JOHN WARWICK COX	447,427	0.580
MEGGSIES PTY LTD	430,550	0.560
MR PIER COTTEE	423,750	0.550
CITICORP NOMINEES PTY LIMITED	191,800	0.250
MR DOUGLAS ROBERT GRAHAM NEILD	178,028	0.230
MR PETER ALASTAIR SIM + MRS SHEILA MARY MEIKLE SIM <SIM SUPER FUND A/C>	142,060	0.180
MR IAN KEITH GERKE + MRS BARBARA MARIA GERKE <GERKE FAMILY S/F A/C>	130,000	0.170
MR JOHN MICHAEL DE RAY + MRS MICHELE ANN DE RAY <THE DE RAY SUPER FUND A/C>	110,000	0.140
BATOKA PTY LTD	102,821	0.130
MR JOHN JANSEN + MRS DALE LORRAINE JANSEN <THE JJ RETIREMENT FUND A/C>	100,000	0.130
MR MICHAEL ROGERS <M G & T A ROGERS SUPER A/C>	100,000	0.130
MR ZIGGY GILL	98,000	0.130
SUPER JOHN PTY LTD	95,953	0.120
MR DAVID JOHN GRAY	90,000	0.120
MISS MARY GRAHAM NEILD	87,496	0.110
LARKIN INVESTMENT PORTFOLIO PTY LTD <SUPERANNUATION FUND A/C>	85,000	0.110
	74,200,648	96.31%