Corum Group

2008 Annual Report

Corum Group

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Corum Group

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CORUM GROUP LIMITED
ABN 25 000 091 305

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Managing Director's Report

Corum Health Services: Revenue up $400,000

Corum Health continued to rationalise its disparate product suite and invest in the enhancement of core functionality of flagship products. More than 500 pharmacies in the last twelve months have transitioned from discontinued products to our flagship LOTS software, validating the product investment decisions. This investment will ultimately result in a permanent decrease in operational costs and facilitate additional revenue through the acquisition of new pharmacy and pharmacy group customers.

Sales activities in 2008 focused on converting existing customers from discontinued products enabling a decrease in maintenance costs. In 2009, sales activities will focus on acquiring new customers to increase revenues and margins.

Corum eCommerce: Revenue up $700,000

Corum eCommerce continues to invest in the technology and personnel that will result, later this year, in the capacity to acquire substantial new revenues with minimal incremental cost. In addition to the payment processing facilities provided to significant corporate clients and government councils, the eCommerce platform supports Corum Real Estate Services. Corum Real Estate has achieved 30% growth for the past twelve months despite the negative impact of the events discussed in the half year report.

Corum Training: Revenue up $150,000

Corum Training is starting to reach critical mass and is emerging as a considerable force in the New South Wales property training industry. While initially leveraging the relationships held by Corum Real Estate it is now developing a reputation as a quality provider of specialist property training and commencing to acquire its own loyal clientele. With a solid foundation, excellent industry relationships and increased credibility as a result of time in the market, we are confident that Corum Training will add to Corum Group profit in the current financial year.

Corum Group: Revenue up $1,250,000

Corum's strategy of investing in the development of quality products and competent personnel is starting to provide tangible results at the bottom line.

While the 2008 financial year presented some significant challenges, the issue in the Real Estate division of Corum eCommerce and the write off of the intellectual property masked an otherwise solid year. As previously announced, the financial impact on Corum Real Estate was at least $2.5m and the write off of intellectual property a further $1.26m (totalling $3.76m). While these two issues have significantly impacted the Corum results for the 2008 financial year they were "one offs" and should be viewed in that context.

The company strategy remains the continued investment in operational efficiencies with a view to providing shareholders with a solid foundation for growth in the industry sectors in which the group operates. We look forward to confirming our return to profitability in 2009.

Mark Winnett
Managing Director

Corum eCommerce

As a leading non-bank transaction-processing provider, Corum eCommerce continues to provide payment solutions to a number of Australia's best known corporate entities including AGL and Federal Express, as well as government councils.

During the year, we have invested in a new platform that will significantly decrease the cost of transactions and improve end-user functionality when paying bills. The launch of the platform has been delayed to the second quarter of 2009. We expect to see a positive impact on earnings in the coming 12 months as a result of the reduced transaction processing costs.

At the same time we will be developing a number of unique payment applications to further enhance our services to billers and bill payers alike.

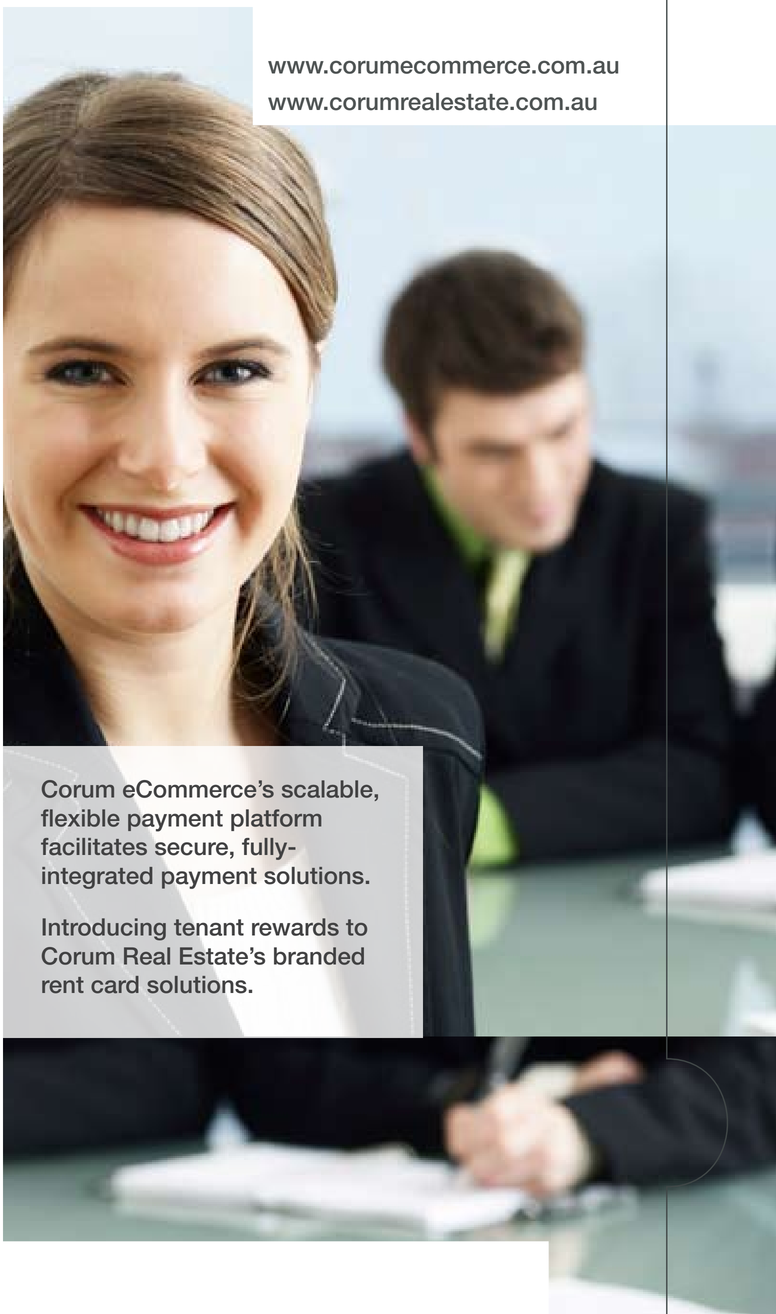
Corum Real Estate Services

Within Corum eCommerce and leveraging the transaction-processing platform, Corum Real Estate Services continues to lead the market in providing branded rent card solutions to 18 major Australian real estate franchise groups and independent agents.

In May 2008, Corum Real Estate Services entered in to an exclusive partnership with Ambassador Card to provide an instant rewards program to tenants. This program 'rewards' tenants for paying their rent with a Corum Rent Card.

This significant enhancement received a very positive response from both agents and tenants, and combined with other upgrades and marketing campaigns, continues to result in significant growth in tenant and agent clients. The launch of this program across the various franchise groups will result in significant revenue increases with minimal incremental cost.

www.corumecommerce.com.au
www.corumrealestate.com.au



Corum eCommerce's scalable, flexible payment platform facilitates secure, fully-integrated payment solutions.

Introducing tenant rewards to Corum Real Estate's branded rent card solutions.

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Corum Health Services

Corum Health successfully maintained its market leading position in the Australian retail pharmacy market and, within 18 months of rebranding as Corum Health Services, recorded strong brand awareness within the industry.

Product development

To better manage and implement our overall product development strategy, we have undertaken significant restructuring to consolidate the disparate product range and recruit key resources focused on product and project management, education and technical support.

Within a more strategic development framework, we have:

- Remained focused on our responsibility to implement government, regulatory and industry changes
- Proactively responded to industry trends by enhancing functionality in core products to optimise dispensing and sales efficiency, retail profitability, customer loyalty and patient health outcomes
- Continued to rationalise legacy products and concentrate on core products (Pharmasol LOTS, Amfac Windows Dispense and Corum Retail Pharmacy Manager) resulting in improved commonality and highly flexible, stable and functionality-rich solutions
- Worked with industry leaders and major pharmacy groups eliciting feedback and improving relationships to ensure that new developments meet market requirements and continue to drive product revenue growth

Product releases

We have boosted our product release program to ensure new functionality enters the market regularly to coincide with major industry changes and events.

Further development of the automatic messaging service has streamlined the delivery of software, drug and price updates, resulting in more reliable and timely distribution and a 94% reduction in consumable and postage costs.

PharmX

This joint venture investment, enabling pharmacists to order electronically from suppliers, became profitable in the past financial year as projected. PharmX has signed all major wholesalers and many large regional wholesalers, and continues to grow subscriptions for major accounts at a rate of 4% per month.

www.corumhealthservices.com.au

One in two Australian pharmacies rely on Corum Health's dispense, point-of-sale, stock control and head office management solutions.

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Corum Training

Corum Training

In its first full financial year of operation, Corum Training achieved solid revenue growth and a built an outstanding reputation within the New South Wales real estate industry.

Qualification and skill development training continues to be delivered in classroom and distance education formats, with several innovative online training models currently being developed.

To enhance training quality, custom training rooms were designed in-house and have been used to successfully deliver regular classroom training since August 2007. We have also delivered on-site training throughout New South Wales at public venues and private real estate offices.

During the year, changes to regulatory requirements resulted in us modifying our Continuing Professional Development (CPD) training programs. We successfully executed our commitment to be the first to implement the changes and offer the new programs to the market.

Several significant relationships with key industry associations and major real estate franchise groups have been established over the past 12 months which provide strong referral and repeat business opportunities. These relationships extend across both residential and commercial real estate sectors, broadening our reach and strengthening our market position.

As a result of expert trainers and staff, and superior quality programs, materials and systems, we have consistently achieved excellent ratings in client satisfaction surveys which are conducted regularly by an external research company. This has resulted in strong referral business and increased brand awareness. A high profile presence at several industry conferences has also contributed to building brand awareness.

With a solid foundation, excellent industry contacts and an excellent reputation, we are planning expansion throughout Australia and New Zealand, and expect continued profitable growth.

www.corumtraining.com.au

Qualification and skill development training for real estate success.

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Corporate Governance Statement

The Corum board is committed to ensuring its policies and practices reflect good corporate governance and recognise that for the success of Corum an appropriate culture needs to be nurtured and developed throughout.

This statement outlines Corum's corporate governance practice as adopted by the current board. Corum has substantially adopted the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" for the entire financial period unless otherwise stated. Where the recommendations have not been adopted by Corum, this is identified and explained below.

1 Lay solid foundations for management and oversight

The board is ultimately responsible for the operations, management and performance of Corum and is accountable to shareholders. The managing director is a member of the board but does not hold the position of chairman.

The main responsibilities of the board are to:

- determine corporate strategies, policies and guidelines for the successful performance of Corum;
- monitor the performance and management of Corum;
- ensure proper corporate governance;
- ensure that appropriate risk management procedures, compliance frameworks and internal control systems are in place and operating effectively;
- monitor financial results; and
- ensure Corum maintains an honest and ethical culture.

2 Structure the board to add value

In accordance with Corum's constitution, the board should comprise no fewer than three and no more than ten directors. At the date of this report, the board consists of two executive directors, Mark Winnett and Craig Glendenning, and two non-executive directors, Michael Rowley and Michael Shehadie who is also chairman.

Under ASX Best Practice Recommendations Mr Shehadie may not be independent as his legal firm received fees in respect of professional services provided to Corum during the 2007 financial year; however, no such fees were received during the 2008 financial year. Currently, Corum does not have a majority of independent non-executive directors. It is the intention of the Board to appoint additional independent, non-executive directors when suitable candidates can be identified who are willing to accept the responsibility that the position entails.

While the directors cannot be considered independent in accordance with ASX Best Practice recommendations, all directors are expected to bring their independent views and judgment to the board and, in accordance with the Corporations Act 2001, must inform the board if they have any interest that could conflict with that of Corum. Where the board considers that a significant conflict exists it may exercise its discretion to determine whether the director concerned may be present at the meeting while the item is considered.

In the discharge of their duties and responsibilities, the directors individually (as well as the board) have the right to seek independent professional advice at Corum's expense. However, for advice to an individual director, prior approval of the chairman is required, which would not be unreasonably withheld. The chairman is entitled to receive a copy of any such advice obtained.

The current board has not established a nomination committee which it considers is not appropriate for Corum with its present minimal board membership. Accordingly, the functions of the nomination committee are carried out by the full board in normal session.

Directors are initially appointed by the full board, subject to election by shareholders at the next general meeting. Under the Constitution, one third of the board retire from office each year and submit themselves for re-election by shareholders at the annual general meeting.

The business of Corum is conducted by or under the supervision of the managing director and by executives to whom management functions have been delegated by the managing director. The managing director is accountable to the board for the management of Corum and must consult the board on matters that are sensitive, extraordinary, or of a material strategic nature.

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Corporate Governance Statement

3 Promote ethical and responsible decision making

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

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

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

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

4 Safeguard integrity in financial reporting

The board has established an audit committee, which has defined authority, responsibilities and reporting requirements. The current members of the audit committee are Michael Shehadie and Mark Winnett. The chief financial officer and company secretary routinely attend audit committee meetings by invitation. For the reasons stated in item 2, it is not considered appropriate at this time to adopt a formal charter with which the committee is unable to comply. This does not mean, however, that the audit committee is any the less diligent in its operation.

For the reasons set out in item 2, Corum does not comply with ASX Best Practice Recommendation 4.3 in so far as the audit committee does not have a majority of independent directors, does not comprise only non-executive directors, does not have an independent chairperson and does not comprise at least three board members.

The external auditor (Hall Chadwick) is requested by the audit committee to attend the appropriate meetings to report on the results of its half-year review and full year audit. The external auditor has direct access to the audit committee if required.

The function of the audit committee is to assist the board in fulfilling its statutory and fiduciary responsibilities relating to:

- the external reporting of financial information, including the selection and application of accounting policies and compliance with relevant accounting standards;
- the independence and effectiveness of the external auditors;
- the effectiveness of internal control processes and management of information systems;
- compliance with the Corporations Act 2001, ASX Listing Rules and any other applicable requirements; and
- the application and adequacy of risk management systems within Corum.

The managing director and chief financial officer of Corum are required to state in writing to the board, by submission to the audit committee, that Corum's financial statements present a true and fair view, in all material respects, of Corum's financial position and operational results and that they are in accordance with relevant accounting standards.

5 Make timely and balanced disclosure

Corum has established procedures and policies designed to ensure compliance with the ASX Listing Rules disclosure requirements. The managing director is the nominated continuous disclosure officer for Corum. The board authorises all disclosures necessary to ensure that:

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

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Corporate Governance Statement

6 Respect the rights of shareholders

The board is committed to ensuring that, subject to privacy laws and the need to act in the best interests of Corum by protecting confidential commercial information, shareholders, the stock market and other interested parties are fully informed of all material matters affecting Corum. The dissemination of information is mainly achieved as follows:

- an annual report is distributed to shareholders in October each year;
- a commentary is usually provided on the quarterly statements submitted to the Australian Stock Exchange;
- where possible, significant information is posted on Corum's internet website as soon as it is disclosed to the market;
- the external auditor is requested to attend the annual general meeting to answer shareholders' questions about the conduct of the audit and the content of the auditor's report.

7 Recognise and manage risk

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

- regular detailed financial budgetary and management reporting;
- procedures to identify and manage operational and financial risks;
- established organisational structures, procedures and policies dealing with the areas of health and safety, environmental issues, industrial relations and legal and regulatory matters;
- comprehensive insurance and risk management programmes;
- procedures requiring board approval for all borrowings, guarantees, material contracts and capital expenditure beyond minor levels;
- where applicable, the use of specialised staff and external advisors.

The executive directors and the chief financial officer of Corum are required to state in writing to the board, by submission to the audit committee, that the risk management and internal control compliance systems implemented by the board are operating efficiently and effectively. The board has responsibility for assessing compliance and control procedures in conjunction with outside advisors if required.

The consolidated entity's operations are not subject to significant environmental regulation under either Commonwealth or State legislation.

8 Encourage enhanced performance

The performance of Corum's executive directors and senior executive staff is evaluated regularly by the board. There has been no formal performance evaluation of the current board undertaken in the reporting period.

9 Remunerate fairly and responsibly

The remuneration committee consists of Michael Shehadie, Mark Winnett and Michael Rowley. For the reasons stated in item 2, the composition of the remuneration committee does not accord with ASX Best Practice Recommendation 9.2 in that the number of board members is less than three and the chairman Mr Shehadie is not independent. The main responsibility of the committee is to make recommendations to the full board on remuneration matters and other terms of employment for executive directors, senior executives and non-executive directors.

Non-executive directors' fees are reviewed annually by the full board after taking into account Corum's performance, market rates, level of responsibility and the recommendations of the remuneration committee. The aggregate amount of fees, which may be paid to non-executive directors, is subject to approval of shareholders at the annual general meeting. Non-executive directors do not receive retiring allowances.

Corum has an equity based remuneration arrangement in place in the form of an employee option plan. Remuneration of executives is structured to link rewards to performance while maintaining a proper balance between fixed and incentive based remuneration, which may include the grant of options.

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Directors' Report

The directors of Corum Group Limited ("Corum" or the "Company") present their report together with the financial statements of the parent entity and its controlled entities for the financial year ended 30 June 2008 together with the auditor's report thereon.

Directors

The following directors of Corum have held office since the start of the financial year to the date of this report unless otherwise stated. None of the directors hold directorships in other listed entities.

Michael John Shehadie, LLB

Non-executive director and chairman, member of the audit committee and remuneration committee

Mr Shehadie is a solicitor of over 25 years' standing.

Mr Shehadie has an interest in 200,000 options to subscribe for shares in Corum.

Mark William Winnett

Managing director, member of the audit committee and remuneration committee

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

Mr Winnett has an interest in 5,749,795 shares in Corum.

Michael John Rowley, MBA

Non-executive director and member of the remuneration committee.

Mr Rowley has held senior executive positions in a number of multi-national companies. He has had significant experience in the management of human resources within high technology companies.

Mr Rowley has an interest in 209,041 shares and 1,350,000 options to subscribe for shares in Corum.

Craig Allen Glendenning

Executive director

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

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

Company Secretary

Julian Michael Sydney Walter, MA, MBA, FCA

The services of Mr Walter as company secretary are provided by Fordholm Investments Pty Ltd.

Mr Walter has over 30 years' experience in corporate finance and has held senior positions in banking, industry and commerce.

Directors' meetings

The number of directors' meetings, including meetings of the audit, remuneration, and nomination Committees, and the number of meetings attended by each director are shown in the table below:

	Directors' Meetings		Audit Commitee		Remuneration Commitee	
	Eligible to attend	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**
M Shehadie	4	4	4	4	-	-
M Winnett	4	4	4	4	-	-
M Rowley	3	2	-	-	-	-
C Glendenning	4	4	-	-	-	-

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Directors' Report

Principal activities

The principal activities of the consolidated entity during the financial year were:

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

Review of operations

The result for the year was a loss after income tax of $3.12 million (2007 profit $0.41 million). The 2008 annual financial results show a 5.6% increase in revenues to $18.84 million (2007 $17.83 million) offset by increases in operating and financing costs, giving an operating loss before tax of $3.12 million.

However, this included a non-recurring write-down in the carrying value of intellectual property in Corum eCommerce of $1.26 million. The carrying value of the intellectual property related to the original programming and systems of Corum eCommerce when it was acquired in June 2001. These have now been superseded as a result of the significant expenditure in the last two years on product and system development; accordingly, the directors have written off the original carrying value which had not been amortised since the acquisition of the business.

EBITDA for the year was reduced, as previously anticipated in the half year accounts, to $0.21 million compared with $2.79 million in 2007, reflecting the Consumer Affairs issue in Corum Real Estate Services, which was not corrected until late in the year.

Depreciation and amortisation expenses were $1.15 million compared to $0.7 million in 2007, which reflected the investment in fixed assets and software development. Interest costs, however, were reduced, reflecting the redemption of the secured convertible notes in January 2007 which were replaced by bank debt.

Corum has previously announced a series of initiatives targeting improved product functionality and operational efficiencies. This required considerable investment in 2008 and involved a focus on four key operational areas:

- development of a new transaction processing gateway for Corum Real Estate Services and Corum eCommerce;
- rationalisation of Corum Health Services' legacy product suite:
- development of a new head office management product in Corum Health Services; and
- investment in a new, state-of-the art, call centre to service all divisions of Corum.

Corum Health Services holds leading positions in the Australian pharmacy market for point-of-sale and dispensing software applications. It has a solid platform and a stable market share with customers in all states. Revenue for the year was $13.1 million, a 3% increase over the 2007 result which was uplifted by PBS Online installation revenue billed at the end of the 2007 year.

Corum Health Services continues to invest in the rationalisation of its product suite and the development of additional functionality, particularly for banner group head offices. Corum would expect to achieve an improved EBITDA contribution from this business in FY2009.

Corum eCommerce is a leading non-bank transaction-processing provider.

The business is expanding its transaction processing business in the corporate and government sectors, and has invested in a new platform that will significantly decrease the costs of transactions and improve end-user functionality when paying bills. This facility was due to go live in last quarter of FY2008. However, it will now go live in the second quarter of 2009 and is expected to have a positive impact on earnings in FY2009.

Within Corum eCommerce, Corum Real Estate Services provides rent payment and collection solutions to the major Australian real estate franchise groups.

The first four months of the financial year saw a significant investment by Corum Real Estate in marketing and staff (including a new call centre) that was starting to show strong agent, tenant and revenue growth. However, following a mail out by an agent in Victoria, Consumer Affairs commenced an enquiry into Corum Real Estate and requested that it cease all marketing of its products. Given a clean bill of health by Consumer Affairs, marketing resumed almost six months later. The estimated impact on the business was a reduction in EBITDA of $2.5m. However growth in the last quarter of agent and tenant numbers was very strong and is expected to continue into FY2009.

Directors' Report

Corum eCommerce revenue for the year was $5.16 million (2007: $4.4 million). The loss of $2.6 million (2007 profit: $0.4 million) resulted from the impact of the Consumer Affairs incident described above.

Corum Training provides qualification and skill development training to real estate professionals. It continued its upward trend with revenue of $378,000 (2006: $224,000). The loss of $36,000 (2006: $137,000) was a significant improvement on the start-up losses of last year. Corum Training is expected to be profitable in the 2009 financial year as the business starts to achieve critical mass.

Corporate costs increased in the period with the addition of Craig Glendenning to the Board and improvements to the group's technology platforms. This investment facilitates significant additional business and the rationalisation of legacy systems.

State of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in the directors' report or the accompanying financial statements.

Dividends

No dividends have been paid or declared by Corum during the current or prior financial year.

Events subsequent to reporting date

Subsequent to 30 June 2008, Corum raised $419,000 by way of a non-renounceable rights issue. The offer was made to all eligible shareholders and note holders at 6.5 cents per share on 13 June 2008. The offer closed on 16 July 2008 and Corum issued 6,439,590 shares.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Corum, 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.

Future developments, prospects and business strategies

The directors and senior management are focused on optimising the current businesses of the group and developing additional income streams. Corum intends to build upon its existing business foundations and progressively expand its activities.

The 2009 year will see the completion of the majority of required development and product rationalisation. This will produce additional revenues and return the business to profitability in the 2009 financial year.

Remuneration report

Remuneration policy

The remuneration structures for executive officers are designed to provide incentives based on measurable results such as sales targets, as well as linking rewards to the longer term performance of Corum. Such structures take into account current market practice and remuneration levels for comparable positions. Non-executive directors do not receive performance-based remuneration other than participation in Corum's option scheme.

Company performance

The directors believe that the interests of Corum and its executive directors are strongly aligned and that the Employee Option Scheme and other such arrangements serve both to reward and provide necessary incentives for enhanced future performance by both directors and executives.

Employment contracts

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

The services of the executive directors are currently retained under contracts which expire on 1 September 2009.

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Directors' Report

Key management personnel remuneration

Details of the nature and amount of each major element of the compensation of key management personnel of Corum and the consolidated entity are:

	Short term benefits		Post employment benefits	Share based payments		Performance related
	Salaries and fees $	Bonuses $	Superannuation $	Options $	Total $	%
2008						
M Shehadie, *Chairman*	60,000	-	-	-	60,000	-
M Winnett, *Managing Director*	379,701	-	-	-	379,701	-
M Rowley, *Director*	91,602	-	-	-	91,602	-
C Glendenning, *Executive Director*	324,188	-	-	32,527	356,715	9
J Walter, *Company Secretary*	321,047	-	-	-	321,047	-
G Arnold, *National Sales Manager*	150,000	10,460	13,091	4,196	177,747	8
2007						
M Shehadie, *Chairman*	60,000	-	-	-	60,000	-
M Winnett, *Managing Director*	360,150	-	-	-	360,150	-
M Rowley, *Executive Director*	299,880	-	-	36,007	335,887	11
C Glendenning, *Executive Director*	79,300	-	-	13,739	93,039	15
J Walter, *Company Secretary*	253,325	-	-	38,280	291,605	13
G Arnold, *National Sales Manager*	149,574	-	13,462	-	163,036	-

Directors' indemnification and insurance

Indemnification

Corum, in accordance with Article 23 of its Constitution, has agreed to indemnify officers of Corum against all liabilities that may arise from their position as officers of Corum except where the liability arises out of conduct involving a lack of good faith. Corum will also meet the amount of any costs and expenses incurred in defending proceedings in which judgment is given in their favour, they are acquitted or the case is withdrawn.

Insurance

During the year Corum incurred a premium cost of $17,985 in respect of an insurance policy for directors' and officers' liability and legal expenses.

Non-audit services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Directors' Report

Non-audit services (continued)

Fees for non-audit services payable to the external auditor during the year ended 30 June 2008 were as follows:

Taxation services	15,230
Due diligence review	17,000
Sundry items	2,650
Total	$34,880

Rounding of amounts

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

Auditor's independence declaration

The auditor's independence declaration made under section 307C of the Corporations Act 2001 is set out on page 13 and forms part of this report.

Dated the 30th day of September 2008.

Signed in Sydney in accordance with a resolution of the board of directors.

Michael Shehadie
Chairman

Mark Winnett
Managing Director

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Auditor's Independence Declaration

Hall Chadwick

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

DREW TOWNSEND
Partner

Date: 30 September 2008

Consolidated Income Statement

Corum Group Limited and its controlled entities
for the year ended 30 June 2008

		CONSOLIDATED		COMPANY	
		2008	2007	**2008**	2007
	Note	**$000s**	$000s	**$000s**	$000s
Revenue from sale of goods	2	1,033	1,058	-	-
Revenue from rendering of services	2	17,400	16,093	1,800	1,800
Other revenue	2	403	681	223	455
Total revenues		**18,836**	17,832	**2,023**	2,255
Materials and consumables used		(2,321)	(2,062)	-	-
Employee expenses	3	(12,345)	(9,185)	(3,072)	(2,445)
Occupancy costs	3	(944)	(703)	(197)	(187)
Legal expenses		(401)	(616)	(227)	(529)
Marketing expenses		(803)	(527)	(96)	(60)
Depreciation and amortisation expense	3	(1,146)	(701)	(211)	(177)
Borrowing costs	3	(1,150)	(1,683)	(1,138)	(1,683)
Impairment of intellectual property	3	(1,260)	-	-	-
Provision against loan to joint venture		(15)	(126)	-	-
Other expenses	3	(1,573)	(1,820)	(673)	(480)
(Loss)/profit before income tax expense		**(3,122)**	409	**(3,591)**	(3,306)
Income tax expense	5	-	-	-	-
(Loss)/profit attributable to members of the parent entity		**(3,122)**	409	**(3,591)**	(3,306)
Earnings per share		$	$		
Basic (loss)/profit per share	6	(0.033)	0.005		
Diluted (loss)/profit per share	6	(0.015)	0.007		

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

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Consolidated Balance Sheet

Corum Group Limited and its controlled entities
for the year ended 30 June 2008

		CONSOLIDATED		COMPANY	
		2008	2007	**2008**	2007
	Note	**$000s**	$000s	**$000s**	$000s
CURRENT ASSETS					
Cash and cash equivalents	8	5,400	3,898	173	678
Trade and other receivables	9	1,353	3,027	1	-
Inventories	10	109	102	-	-
Other	11	208	521	117	419
Total current assets		**7,070**	7,548	**291**	1,097
NON-CURRENT ASSETS					
Trade and other receivables	9	-	-	9,212	11,163
Financial assets	12	-	-	5,264	5,264
Plant and equipment	13	1,161	907	391	312
Intangible assets	14	18,726	18,267	10	10
Other assets		56	54	-	-
Total non-current assets		**19,943**	19,228	**14,877**	16,749
Total assets		**27,013**	26,776	**15,168**	17,846
CURRENT LIABILITIES					
Trade and other payables	15	7,041	4,851	1,737	1,651
Deferred revenue	15	2,036	1,798	-	-
Financial liabilities	16	11,742	469	11,742	469
Provisions	17	859	763	144	115
Total current liabilities		**21,678**	7,881	**13,623**	2,235
NON-CURRENT LIABILITIES					
Financial liabilities	16	68	11,231	68	11,231
Provisions	17	158	117	18	12
Total non-current liabilities		**226**	11,348	**86**	11,243
Total liabilities		**21,904**	19,229	**13,709**	13,478
Net assets		**5,109**	7,547	**1,459**	4,368
EQUITY					
Issued capital	18	77,835	77,223	77,835	77,223
Reserves	19	301	230	301	230
Accumulated losses		(73,027)	(69,906)	(76,677)	(73,085)
Total equity		**5,109**	7,547	**1,459**	4,368

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

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Consolidated Statement of Changes in Equity

Corum Group Limited and its controlled entities
for the year ended 30 June 2008

	ORDINARY SHARE CAPITAL	OPTION RESERVE	RETAINED LOSSES	TOTAL
	$000s	$000s	$000s	$000s
CONSOLIDATED ENTITY				
Balance at 30 June 2006	74,107	13	(70,314)	3,806
Shares issued during the period	3,203	-	-	3,203
Capital raising costs	(87)	-	-	(87)
Recognition of share option expense	-	217	-	217
Profit attributable to members of parent entity	-	-	409	409
Balance at 30 June 2007	**77,223**	230	**(69,905)**	7,548
Shares issued during the period	670	-	-	670
Capital raising costs	(58)	-	-	(58)
Recognition of share option expense		71	-	71
Profit attributable to members of parent entity	-	-	(3,122)	(3,122)
Balance at 30 June 2008	**77,835**	301	**(73,027)**	5,109
PARENT ENTITY				
Balance at 30 June 2006	74,107	13	(69,780)	4,340
Shares issued during the period	3,203	-	-	3,203
Capital raising costs	(87)	-	-	(87)
Recognition of share option expense	-	217	-	217
Loss attributable to members of parent entity	-	-	(3,306)	(3,306)
Balance at 30 June 2007	**77,223**	230	**(73,086)**	4,367
Shares issued during the period	670	-	-	670
Capital raising costs	(58)	-	-	(58)
Recognition of share option expense	-	71	-	71
Loss attributable to members of parent entity	-	-	(3,591)	(3,591)
Balance at 30 June 2008	**77,835**	301	**(76,677)**	1,459

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

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Consolidated Cash Flow Statement

Corum Group Limited and its controlled entities
for the year ended 30 June 2008

		CONSOLIDATED		COMPANY	
	Note	**2008 $000s**	2007 $000s	**2008 $000s**	2007 $000s
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		22,366	17,815	2,159	380
Payments to suppliers and employees		(17,652)	(14,749)	(2,072)	(2,040)
Interest received		223	109	60	76
Interest and other cost of finance paid		(480)	(525)	(468)	(526)
Net cash generated by / (used in) operating activities	24	**4,457**	2,650	**(321)**	(2,110)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales of fixed assets		89	-	-	-
Loan to joint venture		(15)	(66)	-	-
Payments for intangible assets		(2,135)	(1,753)	(4)	-
Payments for plant and equipment		(1,004)	(721)	(290)	(244)
Net cash used in investing activities		**(3,065)**	(2,540)	**(294)**	(244)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issues of shares		-	2,000	-	2,000
Proceeds from borrowings		579	5,000	579	5,000
Repayment of borrowings		(469)	(6,855)	(469)	(6,855)
Net cash provided by financing activities		**110**	145	**110**	145
Net increase / (decrease) in cash held		1,502	255	(505)	(2,209)
Cash at beginning of the financial year		3,898	3,643	678	2,887
Cash at end of the financial year	8	**5,400**	3,898	**173**	678

The consolidated cash flow statement sheet should be read in conjunction with the notes to the financial statements.

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Notes to the Financial Statements

For the year ended 30 June 2008

Note 1: Statement of significant accounting policies

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

The financial report covers the consolidated group of Corum Group Limited and controlled entities and Corum Group Limited as an individual parent entity. Corum Group Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Corum Group Limited and controlled entities and Corum Group Limited as an individual parent entity complies with International Financial Reporting Standards (IFRS) in their entirety.

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

a) Basis of preparation

Reporting basis and conventions

This financial report has been prepared on an accruals basis and is based on historical costs; except where stated, it does not take into account changing money values or fair values of assets or liabilities.

Comparative figures

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

Critical accounting estimates and judgments

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

New standards and interpretations not yet adopted

The following Australian Accounting Standards and amendments to standards have been identified as those which may impact the parent company and consolidated group in the period of initial application. They are available for early adoption at 30 June 2008 but have not been applied in preparing this financial report:

AASB	STANDARDS AFECTED		OUTLINE OF AMENDMENT	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
AASB 2007–3 Amendement to Australian Accounting Standards	AASB 5	Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1.1.2009	1.7.2009
	AASB 6	Exploration for and Evaluation of Minerals			
	AASB 102	Inventories			
	AASB 107	Cash Flow Statements			
	AASB 119	Employee Benefits			
	AASB 127	Consolidated and Separate Financial Statements			
	AASB 134	Interim Financial Reporting			
	AASB 136	Impairment of Assets			
	AASB 1023	General Insurance Contracts			
	AASB 1038	Life Insurance Contracts			

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Notes to the Financial Statements

For the year ended 30 June 2008

AASB	STANDARDS AFECTED		OUTLINE OF AMENDMENT	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above	1.1.2009	1.7.2009
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 111	Construction Contracts			
	AASB 116	Property, Plant and Equipment			
	AASB 138	Intangible Assets			
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above	1.1.2009	1.7.2009
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009	1.7.2009

Notes to the Financial Statements

For the year ended 30 June 2008

Going concern basis

This financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity made an operating loss of $3.12 million during the year ended 30 June 2008 (compared with a profit of $0.4 million for the year ended 30 June 2007) and had a net deficiency of working capital, after excluding deferred revenue and the unsecured convertible notes, of $5.87 million (30 June 2008 surplus: $1.46 million).

The directors believe that it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

- Under the terms and conditions of the Westpac Bank loan facility, the unsecured convertible notes may not be redeemed during the term of the loan without the bank's consent. While there is no obligation for the note holders to convert, nevertheless, the directors expect that over 90% of the notes will be converted into shares on 30 September 2008. (In the event that the note holders were not to elect to convert, the convertible notes would remain outstanding as a liability whilst the Westpac loan facility remains in place).
- In the event that further working capital is required in 2008, the directors have reasonable grounds to believe that they can secure an additional subordinated working capital facility of an appropriate amount and on appropriate terms. This facility will provide any support for the business should it be required while Corum Real Estate services reestablishes its marketing and sales focused operations. Alternatively, Corum will undertake a further capital raising if required.
- The bank loan facility with Westpac Banking Corporation is secured by fixed and floating charges over the assets of the consolidated entity. During the year Corum breached the loan covenants. This was as a result of the down turn in business brought about by significant shortfalls in the transaction processing business in late 2007, in the middle of a heavy investment period in the business. Westpac Banking Corporation has advised in writing that it is prepared to issue a waiver of the breaches, subject to Corum Group Limited meeting certain conditions prior to signing the new agreement. It is expected that these conditions will be complied with within the next 30 days. The new loan covenants will be reset to reflect the future opportunities of the group.

b) Principles of consolidation

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

A list of controlled entities is contained in Note 23 to the financial statements.

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

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

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

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

c) Revenue recognition

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

Sale of goods

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

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Notes to the Financial Statements

For the year ended 30 June 2008

Rendering of services

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

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

Government grants

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

Interest revenue

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

Sale of non-current assets

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

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

d) Goods and services tax

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

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

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

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

e) Foreign currency transactions and balances

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

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

f) Borrowing costs

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

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

g) Taxation

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

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

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

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

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

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

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Notes to the Financial Statements

For the year ended 30 June 2008

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

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

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

Corum and its wholly-owned Australian subsidiaries were have thought to have formed an income tax consolidated group under the tax consolidation regime. The group notified the Australian Taxation Office on 14 September 2006 that it had formed an income tax consolidated group to apply from 1 July 2004. However in May 2008 the Australian Taxation Office advised that it had not accepted the income tax consolidated group. Therefore each company in the group is responsible for its own income tax payable. No deferred tax assets have been recognised at the financial year end.

h) Impairment of assets

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

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

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

i) Cash and cash equivalents

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

j) Receivables

Trade debtors

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

k) Inventories

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

l) Financial assets

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

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

m) Leased assets

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

Finance leases

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

Operating leases

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

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

n) Plant and equipment

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

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Notes to the Financial Statements

For the year ended 30 June 2008

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

o) Depreciation and amortisation

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

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

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

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

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

p) Intangibles

Intellectual property

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

Goodwill

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

Research and development costs

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

q) Payables

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

r) Borrowings

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

s) Employee benefits

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

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

Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs over the vesting periods and is discounted to present value using a probability weighted discount rate reflecting staff turnover history. The unwinding of the discount is treated as long service leave expense.

Equity-settled compensation

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

Superannuation schemes

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

Notes to the Financial Statements

For the year ended 30 June 2008

t) Provisions

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

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

u) Financial instruments issued

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

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

The residual of the net proceeds received on issuing the instrument is classified as equity.

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

v) Investments in associates and joint ventures

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

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 2: REVENUE				
Sales of goods	1,033	1,058	-	-
Rendering of services	17,400	16,093	1,860	1,800
Interest received from other parties	222	109	1	75
Other revenue	181	572	164	380
Total revenue	18,836	17,832	2,023	2,255

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Notes to the Financial Statements

For the year ended 30 June 2008

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$000s	$000s	$000s	$000s
NOTE 3: PROFIT/(LOSS) FOR THE YEAR				
Depreciation				
Plant and equipment	582	453	105	84
Amortisation				
Leased plant and equipment	56	-	46	-
Leasehold improvements	92	128	60	93
Development expenditure	416	120	-	-
Total depreciation and amortisation	1,146	701	211	177
Borrowing costs				
Borrowing costs – convertible notes	670	1,042	670	1,042
Borrowing costs - other debt	480	641	468	641
Total borrowing costs		1,150	1,683	1,138
Other items				
Net (profit) / loss on disposal of non-current assets	(50)	1	-	1
Research and development costs	-	133	-	-
Bad and doubtful debts	15	84	-	-
Employee entitlement provisions	137	180	35	45
Operating lease rental expense	852	516	192	60
Impairment of obsolete inventory	5	-	-	-
Significant expenses				
Impairment of intellectual property	1,260	-	-	-

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$000s	$000s	$000s	$000s
NOTE 4: AUDITOR'S REMUNERATION				
Company auditor - Hall Chadwick				-
Audit and review of financial reports	110	102	110	102
Taxation services	15	26	15	26
Due diligence	17	3	17	3
Pre-lending review	-	3	-	3
Other services	3	2	3	2

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Notes to the Financial Statements

For the year ended 30 June 2008

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 5: TAXATION				
(a) The components of income tax expense comprise:				
Current tax	-	-	-	-
Deferred tax	(844)	205	(945)	(919)
Utilisation of prior year deferred tax assets not recognised	-	(205)	-	-
Current year deferred tax assets not recognised	844	-	945	919
Income tax expense / (benefit)	-	-	-	-
(b) The prima facie tax on profit/(loss) is reconciled as follows:				
Prima facie income tax (benefit) on profit / (loss) at 30% (2007: 30%)	(937)	123	(1,035)	(990)
Add (deduct) tax effect of:				
Non-allowable items	93	17	90	5
Share options expensed	-	65	-	65
Provisions on intercompany assets	-	-	-	2
Deferred tax assets not recognised	-	(205)	-	-
Prior year deferred tax assets not previously recognised	844	-	945	919
Income tax expense	-	-	-	-
Deferred tax assets not taken into account				
Losses carried forward	13,770	12,088	13,774	12,088
Temporary differences carried forward	(161)	638	505	375
Capital losses carried forward	3,185	3,185	3,185	3,185

The deferred tax benefit arising from tax losses and temporary differences has not been recognised as an asset as at 30 June 2008.

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Notes to the Financial Statements

For the year ended 30 June 2008

	2008 $000s	2007 $000s
NOTE 6: EARNINGS PER SHARE AND DIVIDENDS		
Earnings reconciliation		
Basic profit / (loss) after taxation	(3,122)	409
Adjustment for interest on convertible notes	670	670
Diluted earnings	(2,452)	1,079
Weighted average number of ordinary shares used as the denominator	Number	Number
Number for basic earnings per share	94,171,812	78,634,695
Adjustment for convertible notes	67,000,000	67,000,000
Number for diluted earnings per share	161,171,812	145,634,695
Earnings per share	$	$
Basic profit/(loss) per share after taxation	(0.033)	0.005
Diluted profit/(loss) per share	(0.015)	0.007

Dividends

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

NOTE 7: SEGMENT REPORTING

Major products / services for each industry segment

The consolidated entity has the following business segments:

- the Corum Health Services business which provides dispense and point of sale software, hardware and support services to the retail industry through its controlled entities, Pharmasol Pty Ltd and Amfac Pty Ltd;
- a transaction processing business providing electronic funds transfer and processing services principally to rental tenants through the real estate industry via its controlled entity Corum eCommerce Pty Ltd; and
- an accredited training business through its Registered Training Organisation, Corum Training Pty Ltd.

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

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Notes to the Financial Statements

For the year ended 30 June 2008

	$000s	$000s	$000s	$000s	$000s
STATEMENT OF OPERATIONS BY SEGMENT					
Business segments - 2008	**Corum eCommerce**	**Corum Health Services**	**Corum Training**	**Eliminations**	**Consolidated**
Segment revenue	5,163	13,071	378	-	18,612
Unallocated revenue					224
Total revenue					18,836
Segment result	(2,592)	2,955	(36)	-	327
Unallocated expenses					(3,449)
Profit after income tax					(3,122)
Segment assets	3,529	16,426	64	(1,127)	18,892
Unallocated assets					8,121
Total assets					27,013
Segment liabilities	(1,480)	(6,595)	(115)	1,990	(6,200)
Unallocated liabilities					(15,704)
Total liabilities					(21,904)
Depreciation and amortisation	458	477	-	-	1,146
Acquisition of non-current assets	1,521	1,305	-	-	3,116
Other non-cash expenses	58	82	-	-	140

Geographic segments - 2008	**NSW**	**Victoria**	**Eliminations**	**Consolidated**
Segment revenue	9,589	9,024	-	18,613
Other unallocated revenue				223
Total revenue				18,836
Segment result	(1,711)	2,038	-	327
Unallocated expenses				(3,449)
Profit after income tax				(3,122)
Segment assets	10,099	12,794	(1,127)	21,766
Unallocated assets				5,247
Total assets				27,013
Segment liabilities	(6,737)	(5,116)	1,990	(9,863)
Unallocated liabilities				(12,041)
Total liabilities				(21,904)
Depreciation and amortisation	582	353	-	1,146
Acquisition of non-current assets	1,776	1,049	-	3,116
Other non-cash expenses	94	61	-	140

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Notes to the Financial Statements

For the year ended 30 June 2008

	$000s	$000s	$000s	$000s	$000s
STATEMENT OF OPERATIONS BY SEGMENT (CONTINUED)					
Business segments - 2007	**Corum eCommerce**	**Corum Health Services**	**Corum Training**	**Eliminations**	**Consolidated**
Segment revenue	4,391	12,728	224	-	17,343
Unallocated revenue					489
Total revenue					17,832
Segment result	306	3,506	(137)	-	3,675
Unallocated expenses					(3.266)
Profit after income tax					409
Segment assets	4,610	17,236	80	(1,165)	20,761
Unallocated assets					6,015
Total assets					26,776
Segment liabilities	(1,483)	(4,675)	(8)	1,823	(4,343)
Unallocated liabilities					(14,886)
Total liabilities					(19,229)
Depreciation and amortisation	218	305	-	-	701
Acquisition of non-current assets	698	1,532	-	-	2,474
Other non-cash expenses	(36)	316	-	-	311

Geographic segments - 2007	**NSW**	**Victoria**		**Eliminations**	**Consolidated**
Segment revenue	8,630	8,713		-	17,343
Other unallocated revenue					489
Total revenue					17,832
Segment result	1,432	2,243		-	3675
Unallocated expenses					(3266)
Profit after income tax					409
Segment assets	8,749	13,177		(1,165)	20,761
Unallocated assets					6,015
Total assets					26,776
Segment liabilities	(4,382)	(3,191)		1,823	(5,750)
Unallocated liabilities					(14,886)
Total liabilities					(19,228)
Depreciation and amortisation	28	243		-	701
Acquisition of non-current assets	1,093	1,138		-	2,474
Other non-cash expenses	15	265		-	311

Notes to the Financial Statements

For the year ended 30 June 2008

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$000s	$000s	$000s	$000s
NOTE 8: CASH AND CASH EQUIVALENTS				
Cash at bank	5,314	3,814	89	594
Cash on deposit	86	84	84	84
	5,400	3,898	173	678

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$000s	$000s	$000s	$000s
NOTE 9: TRADE AND OTHER RECEIVABLES				
Current				
Trade receivables	1,425	3,112	1	-
Provision for impairment of receivables	(72)	(85)	-	-
	1,353	3,027	1	-
Non-current				
Amounts receivable from wholly-owned subsidiaries	-	-	11,658	13,468
Provision for non-recovery of debt owing by wholly-owned subsidiaries	-	-	(2,446)	(2,305)
	-	-	9,212	11,163

Provision for impairment of receivables

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

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

	Opening balance 1.7.06	Charge for the year	Amounts written off	Closing balance 30.6.07
	$000	$000	$000	$000
Consolidated Group				
Current trade receivables	(46)	(85)	46	(85)
Parent Entity				
Non-current wholly-owned subsidiaries	(2,300)	(5)	-	(2,305)
	1.7.07			**30.6.08**
Consolidated Group				
Current trade receivables	(85)	(15)	28	(72)
Parent Entity				
Non-current wholly-owned subsidiaries	(2,305)	(141)	-	(2,446)

Trade and other receivables balances are not impaired and past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

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Notes to the Financial Statements

For the year ended 30 June 2008

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 10: INVENTORIES				
Finished goods at cost	109	102	-	-

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 11: OTHER CURRENT ASSETS				
Prepayments	100	206	51	199
Other assets	108	315	66	220
Other debtors	300	300	300	300
Less: impairment of other debtors (a)	(300)	(300)	(300)	(300)
	208	521	117	419

(a) Other debtors include amounts due from a former director.

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 12: FINANCIAL ASSETS				
Investment in joint venture at cost	141	30	-	-
Shares in controlled entities, unlisted at cost (Note 23)	-	-	11,264	11,264
Impairment of carrying values	(141)	(30)	(6,000)	(6,000)
	-	-	5,264	5,264

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

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 13: PLANT AND EQUIPMENT				
Leasehold improvements at cost	328	296	171	194
Accumulated amortisation	(235)	(169)	(153)	(119)
	93	127	18	75
Plant and equipment at cost	4,398	3,522	815	528
Accumulated depreciation	(3,330)	(2,742)	(442)	(291)
	1,068	780	373	237
Total plant and equipment	1,161	907	391	312

Notes to the Financial Statements

For the year ended 30 June 2008

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Reconciliations

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
Leasehold improvements				
Carrying amount at beginning of year	296	98	194	44
Additions	58	157	3	124
Disposals	(26)	-	(26)	-
Amortisation	(235)	(128)	(153)	(93)
Carrying amount at end of year	93	127	18	75

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
Plant and equipment				
Carrying amount at beginning of year	3,522	669	528	201
Additions	946	568	287	122
Disposals	(70)	(4)	-	(2)
Depreciation	(3,330)	(453)	(442)	(84)
Carrying amount at end of year	1,068	780	373	237

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 14: INTANGIBLE ASSETS				
Goodwill				
At cost	15,363	15,363	-	-
Accumulated amortisation	-	-	-	-
Total goodwill	15,363	15,363	-	-
Intellectual property				
At cost	14	1,270	10	10
Accumulated amortisation	-	-	-	-
Total intellectual property	14	1,270	10	10
Development costs				
At cost	3,885	1,754	-	-
Accumulated amortisation	(536)	(120)	-	-
Total development costs	3,349	1,634	-	-
Total intangible assets	18,726	18,267	10	10

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Notes to the Financial Statements

For the year ended 30 June 2008

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 14: INTANGIBLE ASSETS (CONTINUED)				
Reconciliation of movement in development costs				
Opening balance	1,634	-	-	-
Additions in the period	2,131	1,754	-	-
Amortisation in the period	(416)	(120)	-	-
Closing balance	3,349	1,634	-	-

Goodwill

Goodwill relates to the acquisitions of the Lockie Computer business by Pharmasol Pty Ltd and the Amfac business by Amfac Pty Ltd and goodwill arising on consolidation of Corum eCommerce Pty Ltd.

Intellectual property

The intellectual property relating to the transaction processing business of Corum eCommerce Pty Ltd was written down by the directors as it had been rendered obsolete by recent product and systems development.

Development costs

Development costs relate to computer software programs developed by Pharmasol Pty Ltd, Amfac Pty Ltd and Corum eCommerce Pty Ltd.

Review of carrying values

The recoverable value of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a five year period with the period extending beyond five years being represented by a terminal value of 6.5 times EBITDA. The cash flows are discounted at a rate of 18.5% per annum which incorporates an appropriate risk premium.

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets incorporate management's best estimates of projected revenues using growth rates of 3% based on historical experience, anticipated market growth and the expected effect of Company initiatives. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates of the period consistent with inflation rates applicable to the locations in which the segments operate.

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 15: CURRENT LIABILITIES				
Trade and other payables				
Trade creditors	711	1,162	391	632
Sundry creditors and accruals	6,330	3,689	1,346	1,019
	7,041	4,851	1,737	1,651
Deferred revenue				
Deferred software maintenance revenue	2,036	1,798	-	-

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Notes to the
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For the year ended 30 June 2008

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$000s	$000s	$000s	$000s
NOTE 16: FINANCIAL LIABILITIES				
Current				
Convertible notes (2)	6,700	-	6,700	-
Bank loan facility - secured (1)	5,004	469	5,004	469
Lease liability	38	-	38	-
Total current financial liabilities	11,742	469	11,742	469
Non-current				
Bank loan facility - secured (1)	-	4,531	-	4,531
Convertible notes (2)	-	6,700	-	6,700
Lease liability	68	-	68	-
Total non current financial liabilities	68	11,231	68	11,231

(1) Bank loan facility

The bank loan facility with Westpac Banking Corporation is secured by fixed and floating charges over the assets of the consolidated entity. During the year Corum breached the loan covenants. This was as a result of the down turn in business brought about by significant shortfalls in the transaction processing business in late 2007, in the middle of a heavy investment period in the business, as discussed in the Directors Report. Westpac Banking Corporation has issued in writing that it is prepared to issue a waiver of the breaches and to reset the loan covenants to reflect the future opportunities of the group. This is subject to Corum Group Limited meeting certain conditions prior to signing the new agreement. It is expected that these conditions will be met in full within 30 days. The loan covenant breaches that occurred during the financial year were as follows:

1. In November 2007 there was a breach of the Shareholders Equity covenant when Shareholders Equity dropped below minimum amount; this was corrected in the following month.
2. In November 2007 Corum Systems Pty Ltd advanced a loan of $15,000 to an associated entity without written permission from Westpac Banking Corporation.
3. In February 2008 Corum Group Limited entered into a lease agreement for $118,000 without written permission from Westpac Banking Corporation.
4. In February 2008 there was a breach of the Debt Service Cover Ratio covenant when the Debt Service Cover Ratio dropped below minimum level and was in breach for one month.
5. In May 2008 there was a breach of the Shareholders Equity covenant when Shareholders Equity dropped below minimum amount.
6. In June 2008 there was a breach of the Shareholders Equity covenant when Shareholders Equity dropped below minimum amount.
7. In June 2008 there was a breach of the Debt Service Cover Ratio covenant when the Debt Service Cover Ratio dropped below minimum level.
8. In June 2008 there was a breach of the Senior Gearing Ratio covenant when the Senior Gearing Ratio increased above the maximum level.
9. In June 2008 there was a breach of the Total Gearing Ratio covenant when the Total Gearing Ratio increased above the maximum amount.
10. On 8 January 2008 a request was made to Westpac to waive the cash flow sweep requirement for the September quarter.

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Notes to the Financial Statements

For the year ended 30 June 2008

(2) Convertible notes

As at 30 June 2008, Corum had 6,700,000 outstanding Unsecured Convertible Redeemable Notes of $1, each converting at any time until 30 September 2008 into 10 shares at $0.10 per share and attracting interest at 10% pa payable in shares.

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 17: PROVISIONS				
Current				
Employee entitlements	842	746	129	100
Make good provisions	17	17	15	15
	859	763	144	115
Non-current				
Employee entitlements	158	117	18	12
Total provisions	1017	880	162	127

Movement in provisions	CONSOLIDATED			
	Annual leave $000s	**Long service leave** $000s	**Make good** $000s	**Total** $000s
Opening balance at 1 July 2007	674	189	17	880
Additional provisions	695	54	-	749
Provisions used	(602)	(10)	-	(612)
Closing balance at 30 June 2008	767	233	17	1,017

Movement in provisions	COMPANY			
	Annual leave $000s	**Long service leave** $000s	**Make good** $000s	**Total** $000s
Opening balance at 1 July 2007	96	16	15	127
Additional provisions	129	6	-	135
Provisions used	(100)	-	-	(100)
Closing balance at 30 June 2008	125	22	15	162

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 $000s	2007 $000s
NOTE 18: ISSUED CAPITAL		
Issued capital at 30 June		
95,874,271 fully paid ordinary shares (2007: 89,174,271)	77,835	77,223

Movement in ordinary share capital	$000s	Number
Shares Issued at 1 July 2006	74,107	67,663,163
4 July 2006 - shares issued for interest	210	2,102,192
2 August 2006 - shares issued for interest	343	2,909,618
29 January 2007 - shares issued for interest	335	3,349,806
2 February 2007 - shares issued for interest	251	2,513,520
14 February 2007 -shares issued for interest	64	635,972
20 February 2007 - shares issued for cash	1,370	6,850,000
23 February 2007 - shares issued for cash	630	3,150,000
Capital raising costs	(87)	-
Balance at 30 June 2007	77,223	89,174,271
2 July 2007 - shares issued for interest	335	3,350,000
2 January 2008 - shares issued for interest	335	3,350,000
Capital raising costs	(58)	-
Balance at 30 June 2008	77,835	95,874,271

Corum has an authorised capital of 250,000,000 shares.

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

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

Options on issue

At 30 June 2008 there were on issue the following options to subscribe for ordinary shares in Corum:

Number	*Expiry Date*	*Exercise Price*
7,800,000	24/01/2010	$0.40
1,350,000	28/11/2010	$0.12
200,000	30/11/2010	$0.12
250,000	28/02/2011	$0.25
1,500,000	03/11/2011	$0.15
1,000,000	04/03/2012	$0.26
2,600,000	16/12/2012	$0.26

Further details of the terms and conditions of issue relating to the options may be found in Notes 25 and 27 to the financial statements.

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Notes to the Financial Statements

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Capital management

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

The group's debt and capital includes ordinary share capital, convertible notes and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. The increase in the gearing ratio during 2008 resulted primarily from the decrease in equity due to the losses incurred during the year.

		CONSOLIDATED		COMPANY	
		2008 $000s	2007 $000s	2008 $000s	2007 $000s
Total borrowings	15, 16	20,887	18,349	13,547	13,351
Less cash and cash equivalents	10	5,400	3,898	173	678
Net debt		15,487	14,451	13,374	12,673
Total equity		5,109	7,547	1,459	4,368
Total capital		20,596	21,998	14,833	17,041
Gearing ratio		75%	66%	90%	74%

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 19: RESERVES				
Option reserve	301	230	301	230

The option reserve records items recognised as expenses on valuation of share options issued.

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Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 20: FINANCIAL INSTRUMENTS

Interest rate risk

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

	Weighted avg interest rate	Floating interest rate	1 year or less	1-5 years	More than 5 years	Non-interest bearing	Total
2008	%	$000s	$000s	$000s	$000s	$000s	$000s
Financial assets							
Cash	5.8	5,314	-	-	-	-	5,314
Cash on deposit	3.0	86	-	-	-	-	86
Trade and other receivables	-	-	-	-	-	1,353	1,353
		5,400	-	-	-	1,353	6,743
Financial liabilities							
Convertible notes	10.0	-	6,700	-	-	-	6,700
Bank borrowings	9.6	-	5,004	-	-	-	5,004
Trade and other payables	-	-	-	-	-	7,041	7,041
Lease Liability	13.6	-	38	68	-	-	106
		-	11,742	68	-	7,041	18,851
2007	%	$000s	$000s	$000s	$000s	$000s	$000s
Financial assets							
Cash	5.2	3,814	-	-	-	-	3,814
Cash on deposit	3.0	84	-	-	-	-	84
Trade and other receivables	-	-	-	-	-	3,027	3,027
		3,898	-	-	-	3,027	6,925
Financial liabilities							
Convertible notes	10.0	-	-	6,700	-	-	6,700
Bank borrowings	8.5	-	469	4,531	-	-	5,000
Trade and other payables	-	-	-	-	-	6,649	6,649
		-	469	11,231	-	6,649	18,349

Net fair values of financial assets and liabilities

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

Foreign exchange risk

Corum has no exposure to foreign exchange risk.

Credit risk

The credit risk of financial assets, excluding investments, of the consolidated entity, which have been recognised in the balance sheet, is the carrying amount, net of any provision for doubtful debts. The consolidated entity minimises the concentration of credit risk by undertaking transactions with a large number of customers.

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Notes to the Financial Statements

For the year ended 30 June 2008

Liquidity risk

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

Sensitivity analysis

Interest rate risk and price risk

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

Interest rate sensitivity analysis

At 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
Change in profit				
- Increase in interest rate by 10%.	(85)	(89)	(85)	(89)
- Decrease in interest rate by 10%	85	89	85	89
Change in equity				
- Increase in interest rate by 10%.	(85)	(89)	(85)	(89)
- Decrease in interest rate by 10%	85	89	85	89

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
NOTE 21: COMMITMENTS				
Non-cancellable operating lease expense commitments payable				
Not later than 1 year	859	499	687	321
Later than 1 year but not later than 5 years	1,591	1,209	1,352	861
Minimum lease payments	2,450	1,708	2,039	1,182

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

NOTE 22: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Corum is currently involved in several litigation matters. The directors have provided in full for all litigation costs that they believe might arise. Corum has various rights of recovery in regard to certain losses incurred in past financial years. No value will be ascribed to recoveries until received.

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Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 23: CONTROLLED ENTITIES

Particulars of controlled entities.

	Country of incorporation	% owned 2008	% owned 2007
Amfac Pty Ltd	Australia	100%	100%
Pharmasol Pty Ltd	Australia	100%	100%
Corum eCommerce Pty Ltd	Australia	100%	100%
Corum Systems Pty Ltd	Australia	100%	100%
Corum Training Pty Ltd	Australia	100%	100%

NOTE 24: NOTES TO THE CASH FLOW STATEMENT

For the purposes of the cash flow statement, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. The reconciliation of profit/(loss) and operating cash flow as shown in the cash flow statement is shown below.

	CONSOLIDATED		COMPANY	
	2008 $000s	2007 $000s	2008 $000s	2007 $000s
Reconciliation of profit / (loss) after tax to net cash used in operating activities:				
Profit (Loss) from ordinary activities after income tax	(3,122)	409	(3,591)	(3,306)
Add non-cash items:				
Depreciation and amortisation of plant and equipment	1,146	701	211	177
Impairment charges on intellectual property	1,260	-	-	-
Net increase in provisions	139	311	23	35
Gain on disposal of plant and equipment	(69)	-	-	-
Equity issued in settlement of operating liabilities	612	1,115	612	1,115
Share options expensed	71	217	71	217
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
(Increase)/decrease in trade debtors	1,686	(1,564)	(1)	-
(Increase) in inventories	(6)	(29)	-	-
(Increase)/decrease in other assets	312	(176)	302	(379)
Increase in trade creditors and accruals	2,190	1,744	89	31
Increase/(decrease) in deferred revenue	238	(78)	-	-
Decrease in intercompany balances	-	-	1,963	-
Net cash generated by/(used in) operating activities	4,457	2,650	(321)	(2,110)

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Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 25: SHARE BASED PAYMENTS

Share option plan

The Directors may in their sole discretion select eligible employees, directors or associates to whom options are to be issued and determine the number of options to be offered. The maximum number of shares in respect of which options may be issued pursuant to the plan shall not exceed 5% of the number of shares in Corum on issue. The right to exercise the options is subject to a number of conditions, including the participant remaining an eligible participant during the vesting period.

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

Other options issued

The following options were not issued under the Share option plan.

Grant date	Vested	Expiry date	Exercise price $	Options at start of year	Options lapsed	Options exercised	Options at year end
Consolidated and Company 2007							
4/07/2006	Yes	28/02/2011	0.25	70,000	-	-	70,000
20/07/2006	Yes	28/02/2011	0.25	70,000	-	-	70,000
20/09/2006	Yes	3/11/2011	0.15	1,500,000	-	-	1,500,000
25/01/2007	Yes	24/01/2010	0.40	7,800,000	-	-	7,800,000
5/03/2007	Yes	4/03/2012	0.26	1,000,000	-	-	1,000,000
11/03/2006	Yes	28/02/2011	0.25	40,000	-	-	40,000
31/03/2006	Yes	28/02/2011	0.25	70,000	-	-	70,000
				10,550,000			10,550,000
Consolidated and Company 2007							
4/07/2006	Yes	28/02/2011	0.25	-	-	-	70,000
20/07/2006	Yes	28/02/2011	0.25	-	-	-	70,000
20/09/2006	Yes	3/11/2011	0.15	-	-	-	1,500,000
25/01/2007	Yes	24/01/2010	0.40	-	-	-	7,800,000
5/03/2007	Yes	4/03/2012	0.26	-	-	-	1,000,000
11/03/2006	Yes	28/02/2011	0.25	40,000	-	-	40,000
31/03/2006	Yes	28/02/2011	0.25	70,000	-	-	70,000
				110,000			10,550,000

Notes to the Financial Statements

For the year ended 30 June 2008

Each of the above options is convertible to one ordinary share. There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the option has been exercised.

The fair value of the options granted during the year was calculated by using a Black Scholes option pricing model applying the following inputs:

Grant date	Expiry date	Life of option - yrs	Exercise price $	Underlying share price	Risk free interest rate	Expected share price volatility
17/12/2007	16/12/2012	5	0.26	0.145	6.60%	30%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future behaviour, which may not eventuate. The fair value of the options is expensed over the vesting period.

NOTE 26: SUPERANNUATION FUNDS

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

NOTE 27: KEY MANAGEMENT PERSONNEL REMUNERATION

Remuneration practices

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. Remuneration packages include a mix of fixed, performance based, and equity based remuneration and are reviewed / compared to comparative companies and positions.

Executive directors and senior executives may receive bonuses based on the achievement of specific performance hurdles, which are a mixture of divisional results and the overall consolidated result of the consolidated entity, agreed with the Managing Director and consistent with the consolidated entity's direction. The performance hurdles are quantifiable and reviewed as part of a formal performance appraisal process. Options may be issued under the Corum share option plan, which provides for directors to issue options to employees and associates not exceeding 5% of the total number of shares on issue in any given year.

The following tables provide the details of key management personnel of Corum and of the consolidated entity and the nature and amount of the components of their compensation charged in the years ended 30 June 2008 and 30 June 2007.

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Notes to the Financial Statements

For the year ended 30 June 2008

Key management personnel	Short term benefits Salaries & fees $	Bonus $	Post employment Superannuation $	Equity based payments Options $	Total $
2008					
M Shehadie, *Chairman*	60,000	-	-	-	60,000
M Winnett, *Managing Director*	379,701	-	-	-	379,701
M Rowley, *Director*	91,602	-	-	-	91,602
C Glendenning, *Executive Director*	324,188	-	-	32,527	356,715
J Walter, *Company Secretary*	321,047	-	-	-	321,047
G Arnold, *National Sales Manager*	150,000	10,460	13,091	4,196	177,747
2007					
M Shehadie, *Chairman*	60,000	-	-	3,042	63,042
M Winnett, *Managing Director*	360,150	-	-	-	360,150
M Rowley, *Executive Director*	299,880	-	-	36,007	335,887
C Glendenning, *Executive Director (appointed 10 April 2007)*	79,300	-	-	13,739	93,039
P Kelly, *Non-executive Director (retired 3 November 2006)*	-	-	-	-	-
J Walter, *Company Secretary*	253,325	-	-	38,280	291,605
G Arnold, *National Sales Manager*	149,574	-	13,462	-	163,036
P Alexander, *General Manager Technology*	100,000	-	9,000	-	109,000

Employment contracts

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

The services of the executive directors are currently retained under contracts which expire on 1 September 2009.

Option holdings

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

Key management personnel	Held at 1 July 2007	Granted as remuneration	Exercised	Held at 30 June 2008	Vested & exercisable at 30 June 2008
M Shehadie	200,000	-	-	200,000	200,000
M Rowley	1,350,000	-	-	1,350,000	1,350,000
C Glendenning	1,000,000	-	-	1,000,000	1,000,000
J Walter	1,500,000	-	-	1,500,000	1,500,000
G Arnold	-	350,000	-	350,000	175,000

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Notes to the Financial Statements

For the year ended 30 June 2008

Equity holdings and transactions

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

Key management personnel	Held at 1 July 2007	Acquisitions	Disposals	Held at 30 June 2008
M Winnett	4,749,795	1,000,000	-	5,749,795
M Rowley	109,041	100,000	-	209,041
J Walter	1,200,000	150,000	150,000	1,200,000

NOTE 28: RELATED PARTY TRANSACTIONS

Loans and other transactions with directors

An unsecured loan of $61,948 was made to Winmark Investment Group Pty Ltd, an entity associated with Mr Winnett, on normal commercial terms. This loan was outstanding at the end of the year.

An agreement is in place for Michie, Shehadie & Co, of which Mr Shehadie is a partner, to provide legal services to Corum on normal commercial terms. In the period to 30 June 2007, $1,232 was charged in respect of such services. There were no charges during the year ended 30 June 2008.

During the year, interest of $100,000 was paid to Winmark investment Group Pty Ltd, being an entity associated with Mr Winnett, interest of $10,000 was paid to Oliveprince Pty Ltd, an entity associated with Mr Rowley, and interest of $15,000 was paid to Fordholm Investments Pty Ltd, an entity associated with Mr Walter, all amounts being in respect of convertible notes held by those parties.

Wholly-owned group

Details of interests in wholly-owned controlled entities are set out in Notes 12 and 23 to the financial statements. Loans between related parties are interest free.

Balances with entities within the consolidated entity

The aggregate amount receivable by Corum from controlled entities at balance date was $9,212,000 (2007: $11,163,000) (see also Note 9).

NOTE 29: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to 30 June 2008, Corum raised $419,000 by way of a non-renounceable rights issue. The offer was made to all eligible shareholders and note holders at 6.5 cents per share on 13 June 2008. The offer closed on 16 July 2008 and Corum issued 6,439,590 shares.

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

NOTE 30: COMPANY DETAILS

The registered office of Corum and its controlled entities is:

Level 17
24 Campbell Street
Sydney, NSW 2000

The principal places of business are:

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

State offices:

NSW:
Unit 8
171 Kingsgrove Road
Kingsgrove, NSW 2208

VIC:
7 Business Park Drive
Notting Hill, VIC 3168

SA:
133A Unley Road
Unley, SA 5061

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

QLD:
Suite 1
1 Swann Road
Taringa, QLD 4068

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Directors' Declaration

The directors of Corum Group Limited ("Corum") declare that:

1 The financial statements and notes set out on pages 11 to 44 are in accordance with the Corporations Act 2001, and:

(a) comply with Accounting Standards and the Corporations Regulations 2001; and

(b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of Corum and consolidated group.

2 The Chief Executive Officer and Chief Financial Officer have each declared that:

(a) The financial records of Corum for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

(b) The financial statements and notes for the financial year comply with the Accounting Standards; and

(c) The financial statements and notes for the financial year give a true and fair view.

3 In the opinion of the directors, there are reasonable grounds, to believe that Corum will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.

Signed in Sydney.

Michael Shehadie
Chairman

Mark Winnett
Director

Dated the 30th day of September, 2008.

Independent Audit Report

Hall Chadwick

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

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Report on the Financial Report

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

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading 'Remuneration Report' in the directors' report and not in the financial report.

Directors' Responsibility for the Financial Report

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

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

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 and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 and the remuneration disclosures in the directors' report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Corum Group Limited on 30 September 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

Basis for qualified Auditor's opinion

Going concern

In Note 1(a) to the financial statements, the directors state their opinion that the going concern basis used in the preparation of the financial report is appropriate. At the date of our report, the company has not complied with Westpac Banking Corporation requirements or obtained a waiver of the breaches of the loan covenants, and is yet to secure further subordinated working capital. Also, there is no obligation for the convertible note holders to convert, and we have not received any confirmation of conversion. In our opinion, unless Westpac Banking Corporation issues a waiver of the breaches of the loan covenants, further subordinated working capital is obtained and the convertible note conversion is completed, the company will not be able to continue as a going concern. Hence we have been unable to satisfy ourselves that the going concern basis is appropriate. If the going concern basis is not appropriate Corum Group Limited may be unable to realise their assets and discharge their liabilities in the normal course of business.

Auditor's Opinion

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

(a) the financial report of Corum Group Limited and is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

(c) the remuneration disclosures that are contained in the directors' report comply with Accounting Standard AASB 124.

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

Without qualifying our conclusion, we draw attention to Note 1(a) to the financial report. The company has assessed the carrying value of Goodwill, Development Costs and Plant and Equipment based on value in use calculations, which indicate that the balance of Development Costs, Plant and Equipment and Goodwill attributable to the Corum eCommerce business amounting to $6,309,276 is recoverable. If the cash flow projections used in the value in use calculations are not met, the carrying value of Goodwill, Development Costs and Plant and Equipment may be impaired.

DREW TOWNSEND
Partner

Date: 30 September 2008

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Shareholder Information

Voting rights

Ordinary shares carry the right to one vote per share.

Distribution of shareholders at 31 August 2008

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

RANGE OF SHAREHOLDING	NO OF HOLDERS	SHARES HELD	% OF CAPITAL
1 - 1,000	800	297,757	0.28
1,001 - 5,000	504	1,371,650	1.30
5,001 - 10,000	169	1,405,443	1.33
10,001 - 100,000	234	8,364,623	7.92
100,001 - over	84	94,224,388	89.17
Total	**1,791**	**105,663,861**	**100.00**

The number of shareholdings held in less than marketable parcels is 1,396.

Twenty largest shareholders as at 31 August 2008

NAME	SHARE HELD	% OF CAPITAL
Link Enterprises (International) Pty Ltd	13,668,266	12.94
Ginga Pty Ltd	11,560,866	10.94
UBS Wealth Management Australia Nominees Pty Ltd	10,652,367	10.08
Lujeta Pty Ltd	10,373,479	9.82
Tesla Nominees Pty Ltd <Tesla Investments A/c>	4,322,235	4.09
Mr Michael John Farrelly	3,702,079	3.50
Atlas Ventures (Nominee) Pty Ltd	3,176,014	3.01
Public Trustee <IFTC Broking Services Ltd A/c>	2,747,518	2.60
ANZ Nominees Limited <Cash Income A/c>	2,545,932	2.41
Winmark Investment Group Pty Ltd	2,349,795	2.22
Ginga Pty Ltd	2,284,540	2.16
Jaronach Pty Ltd <Lynda Adler Family A/c>	2,000,000	1.89
Mr Mark Cohen	1,526,921	1.45
Connaught Consultants (Finance) Pty Ltd	1,430,000	1.35
Indubilla Pty Ltd <MSH Super Fund A/c>	1,173,659	1.11
Invia Custodian Pty Limited <Greg Jones Family A/c>	931,441	0.88
Link Traders (Aust) Pty Ltd	892,384	0.84
Fordholm Investments Pty Ltd <Fordholm Super Fund A/c>	850,302	0.80
British & Colonial Investments Pty Ltd <Superannuation Fund A/c>	824,565	0.78
Mrs Effie Marion Walter	800,000	0.76
Total	**77,812,363**	**73.63**

Substantial shareholders (notices received as at 31 August 2008)

Lujeta Pty Ltd	17,195,646	17.40
Link Enterprises (International) Pty Ltd	15,548,009	16.80
Thomas Klinger, Elizabeth Klinger and Ginga Pty Ltd	12,840,247	13.39
Tesla Nominees Pty Ltd and Jaronach Pty Ltd	5,346,893	7.36

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COMPANY PARTICULARS

Directors
Mr Michael Shehadie (Chairman)
Mr Mark Winnett
Mr Michael Rowley
Mr Craig Glendenning

Company Secretary
Mr Julian Walter

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Level 17
24 Campbell Street
Sydney NSW 2000 Australia
Telephone +61 2 9289 4699
Facsimile +61 2 9212 5931

www.corumgroup.com.au

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

Banker
Westpac Banking Corporation
275 Kent Street
Sydney NSW 2000

Share Registry
Computershare Registry Services
Level 3, 60 Carrington Street
Sydney NSW 2000
Telephone +61 2 8234 5222
Facsimile +61 2 8234 5050

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

Within Australia **1300 850 505**

Outside Australia **+61 3 9415 4000**

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

Stock Exchange Listing and Share Price

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

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

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