



# **BELL IXL INVESTMENTS LIMITED**

ACN 113 669 908  
ABN 80 113 669 908

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## **THIRD ANNUAL REPORT**

### **30 JUNE 2007**

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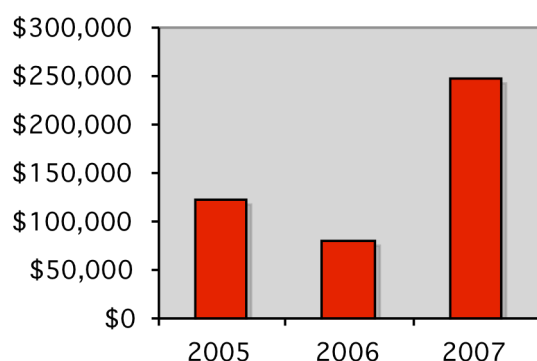
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# FINANCIAL PERFORMANCE - AT A GLANCE

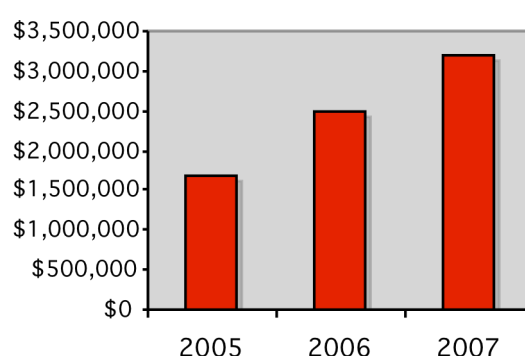
## COMPARATIVE FINANCIAL INFORMATION

	2005	2006	2007
<b>Total assets (\$)</b>	1,849,256	2,550,048	3,553,585
<b>Total liabilities (\$)</b>	175,819	69,644	345,560
<b>Net assets (\$)</b>	1,673,437	2,480,404	3,208,025
<b>Number of shares</b>	7,750,000	11,580,000	13,180,000
<b>Net assets per share (cents)</b>	21.59	21.42	24.34
<b>Net profit after tax (\$)</b>	123,437	79,813	247,621
<b>Dividends (cents per share)</b>	-	1.00	-

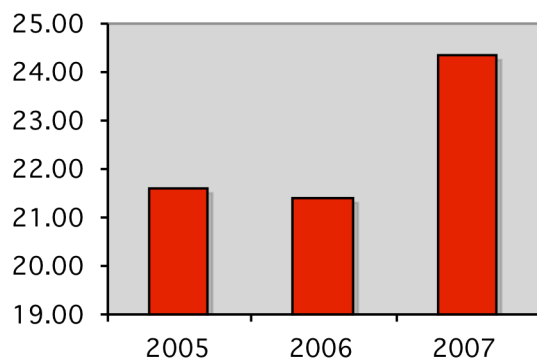
### NET PROFIT AFTER TAX



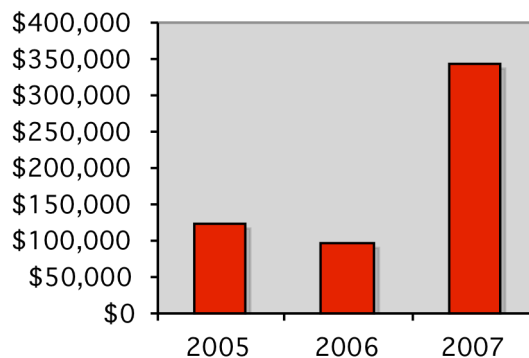
### SHAREHOLDERS FUNDS



### NET ASSETS PER SHARE



### CUMULATIVE RETENTIONS



# TABLE OF CONTENTS

SECTION	PAGE NUMBER
LETTER FROM THE EXECUTIVE CHAIRMAN	4
DIRECTORS' REPORT	5
AUDITOR'S INDEPENDENCE DECLARATION	16
INCOME STATEMENT	17
BALANCE SHEET	18
STATEMENT OF CHANGES IN EQUITY	19
CASH FLOW STATEMENT	20
NOTES TO THE FINANCIAL STATEMENTS	21
DIRECTORS' DECLARATION	35
INDEPENDENT AUDIT REPORT	36
LISTED COMPANY INFORMATION	38
CORPORATE DIRECTORY	41

# LETTER FROM THE EXECUTIVE CHAIRMAN

28 September 2007

Dear Shareholder

On behalf of my fellow directors, I am pleased to announce that for the third consecutive year your company has reported a profit with a result of \$247,621 after tax which represents a 210% increase on last year's result.

During the year, the directors placed 1,600,000 shares at 30 cents each which together with profits continued to enhance the net tangible asset backing to 24.56 cents per share at year end and assuming all dividends paid by the company to date were reinvested, the total shareholder return since listing has been 29.3%.

Obviously the company's share price does not presently reflect this improvement in value but it does represent an opportunity for the astute investor and is no different to the philosophy employed by your company in assessing its investments.

Throughout most of the financial year a large proportion of the company's assets were held in cash due to limited opportunities in the market and this has naturally impacted on the company's ability to maximise its profit during the year but this now has your company well placed moving forward as the directors have even greater expectations for this coming financial year.

Non-core investments continue to be progressively sold and converted into cash and steps have recently been made in relation to two strategic investments of the company whereby board representation has been sought in the first steps to unlocking their value.

The directors continue to investigate opportunities for graduation on to the ASX and will keep you posted of any progress in this regard and believe that if and when such steps are taken that the capital base of the company may need to be significantly increased initially via an underwritten rights issue to all shareholders so that it is of a more suitable size to pursue acquisitions.

A notice setting out details regarding the third Annual General Meeting of the company is enclosed with this document and I look forward to seeing you at the meeting.

Please feel free to call me anytime on (03) 9840 8710.

Kind regards



**MASSIMO LIVIO CELLANTE**  
EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2007.

**Directors**

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

- Mr. Massimo Livio Cellante
- Mr. Ramon Jimenez
- Mr. Romano Livio Cellante
- Mr. Dean Pagnin (appointed 30 November 2006)

Directors have been in office since the start of the financial year to the date of this report except where otherwise stated.

**Company Secretary**

Mr. Ramon Jimenez held the position of company secretary at the end of the financial year.

**Principal Activities**

The principal activity of the company during the financial year was investing and trading in listed equity securities.

There has been no significant change in the nature of the company's activities during the financial year.

**Operating Results**

The profit of the company after providing for income tax for the year ended 30 June 2007 amounted to \$247,621.

**Dividends Paid or Recommended**

No dividends have been paid or declared for payment during, or subsequent to the end of, the financial year. The directors do not recommend the payment of a final dividend.

**Review of Operations**

*General Activities*

The company operates as a strategic investment holding company with a focus on acquiring at a discount and profitably realising strategic shareholdings in publicly listed companies. The company has been admitted to the Official List of the National Stock Exchange of Australia Limited and the securities of the company trade under the ticker symbols BXL and BXLA.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**Review of Operations (continued)**

*Capital Raisings*

The company completed a number of share placements during the financial year and as a result 235,000 fully paid ordinary shares and 1,365,000 fully paid limited voting ordinary shares were issued at a price of 30 cents per share as part consideration for the acquisition of securities issued by companies listed on the ASX market.

*Investment Portfolio*

The company has continued to actively manage its portfolio of investments. At the end of the financial year the company held investments in the following listed companies.

- BBX Holdings Limited (ASX code: BBX).

The principal activity of BBX Holdings Limited is to conduct, via subsidiaries, a barter trade exchange through which member businesses can exchange goods and services with each other by means of trade dollars that are a medium of exchange used by members of the exchange in lieu of cash.

- Longreach Oil Limited (ASX code: LGO)

Longreach is one of the oldest oil exploration companies listed on the Australian Securities Exchange with significant interests in two presently unlisted oil companies, namely Austex Oil Limited and Brisbane Petroleum NL. Longreach also has interests in a number of exploration areas in its own right.

- Pritchard Equity Limited (NSX codes: PEQA, PEQB, PEQOA, PEQOB, PEQOC).

The principal activity of Pritchard Equity limited is the making of medium and long term investments in listed and unlisted investments including a significant investment in Cameron Capital Limited, which is the holding company of Cameron Stockbrokers Limited, a participant of both the Australian Securities Exchange Limited and the National Stock Exchange of Australia Limited.

- Queste Communications Limited (ASX code: QUE).

Queste is the owner of technology for the implementation of Voice-over-Internet Protocol (VoIP) communication and is also the largest shareholder in the investment company, Orion Equities Limited, which is listed on the Australian Securities Exchange, and holds a diversified portfolio of equity investments and properties.

- Sunvest Corporation Limited (ASX code: SVS).

The principal activity of Sunvest Corporation Limited is to invest in shares in companies that are listed, or are intended to be listed, either in Australia or overseas.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**Review of Operations (continued)**

- Winpar Holdings Limited (NSX code: WPH).

Winpar is a share trading and investment company with a diversified portfolio of listed and unlisted investments in companies in Australia and the United Kingdom.

In addition, the company has acquired a significant holding of options in the unlisted company, Austex Oil Limited, which is involved in oil exploration and production. The company is advised that Austex Oil Limited proposes to undertake an initial public offer of shares in the near future and then seek a listing on the ASX market. No carrying value has been ascribed to options in the accounts of the company.

The company will continue to pursue the acquisition of investments and the successful realisation of those investments for the benefit of shareholders.

*Betta Stores Limited*

The company is a shareholder in Betta Stores Limited ("Betta") and had made an offer to Betta shareholders to buy additional shares. On 5 October 2006 Betta announced the appointment of Administrators concurrent with the appointment of Receivers and Managers by the Commonwealth Bank of Australia and trading in Betta shares was suspended. On 6 October 2006 the company withdrew its offer to Betta shareholders and no shares were acquired under that offer. Betta was subsequently placed in liquidation and has been de-listed from the exchange. The directors decided to fully provide for the investment with the effect that pre-tax profit for the financial year has been reduced by \$182,062. The company has no exposure to Betta other than the investment for which a full provision for impairment has been made. The company has been advised that it will not receive any distribution in respect of its investment in Betta.

*Merger Discussions*

During the year discussions were entered into with a number of companies listed on the ASX market with a view to negotiating a merger to be accomplished by a reverse takeover of the company. The rationale for entering into these discussions was to consummate a transaction that would increase the capital available for investment activities whilst at the same time obtaining greater liquidity for shareholders of the company by exchanging their shares in the company for shares in a company listed on the ASX market. The company has not yet reached an agreement for the implementation of such a transaction.

*New Director*

At the annual general meeting of the company held on 30 November 2006 the shareholders voted to elect Mr. Dean Pagnin as a director of the company.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**Review of Operations (continued)**

*Corporate Restructure*

A corporate restructure was completed during the year that involved Bell IXL Investments No. 4 Pty. Limited, which was previously the immediate parent entity of the company, transferring its entire holding of 7,855,000 full paid ordinary shares in the capital of the company to The Bell IXL Group Limited ("TBIGL"), which was previously the ultimate parent entity of the company. TBIGL purchased 150,000 fully paid ordinary shares on-market and then transferred 2,310,000 shares to a third party with the result that TBIGL was left with a net holding of 5,695,000 fully paid ordinary shares in the capital of the company and TBIGL ceased to be the ultimate parent entity.

*Office Premises*

From 5 April 2005, being the date of incorporation of the company, until 28 February 2007 a company associated with certain directors provided office space and facilities to the company at no cost to support the company during its start-up phase until the company established itself and attained profitability, both of which have now occurred. From 1 March 2007 the company acquired a lease over the premises at Level 2, 651-653 Doncaster Road, Doncaster, Victoria 3108 from which the company conducts its businesses. The annual rent payable by the company under the lease is \$18,856 inclusive of goods and services tax. The term of the lease ends in September 2008 and the company has the option to extend the lease for two further terms of two years each. It is expected that other companies may occupy the premises together with the company in the future and, if that were to occur, those companies will be required to contribute to the rent payable by the company on a pro-rata basis.

**Financial Position**

The net assets of the company increased from \$2,480,404 as at 30 June 2006 to \$3,208,025 at 30 June 2007 with the increase resulting from the following factors:

- The increase in issued capital as a result of the issue of 235,000 fully paid ordinary shares and 1,365,000 fully paid limited voting ordinary shares.
- Profits generated from the successful realisation of investments.
- Increase in the market value of the investment portfolio.

The directors believe that the company is in a very strong and stable financial position.

**Significant Changes in State of Affairs**

The following significant changes in the state of affairs of the company occurred during the financial year:



**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**Significant Changes in State of Affairs (continued)**

- The company issued 235,000 fully paid ordinary shares and 1,365,000 limited voting ordinary shares at a deemed issued price of 30 cents per share as part consideration for the acquisition of securities listed on the ASX market.
- The company fully provided for the impairment of its investment in Betta Stores Limited thereby incurring an expense of \$182,062.
- At the annual general meeting of the company, the shareholders voted to elect Mr. Dean Pagnin as a director of the company.

**After Balance Date Events**

The following significant events affecting the company occurred after balance date:

- The company has negotiated a transaction for the sale of the bulk of a significant investment held by the company. Although the investment is comprised of shares listed on the ASX market, the market for the shares is illiquid and it was not considered possible to dispose of the investment through the market at a price acceptable to the company. As a result, companies associated with directors of the company have agreed to purchase part of the investment for \$338,250 cash, being a price per share substantially exceeding current market prices. The company has obtained legal advice that the transaction does not require shareholder approval pursuant to chapter 2E of the *Corporations Act 2001* and the company has been granted a waiver of NSX listing rule 6.43 so as to permit the transaction to be undertaken without shareholder approval. The transaction will have no impact on profit.
- The company has agreed to issue 230,000 fully paid ordinary shares and 273,000 fully paid limited voting ordinary shares at 30 cents per share and pay the sum of \$90,000 cash as consideration for the acquisition of listed securities. The shares have not yet been issued.

Except for the matters stated, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

**Future Developments, Prospects and Business Strategies**

To further improve the profit of the company and maximise shareholder wealth, the following developments are intended to be implemented in the near future:

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**Future Developments, Prospects and Business Strategies (continued)**

- The company will continue to pursue the acquisition of investments and the successful realisation of those investments.
- The company is a significant shareholder in a number of listed companies. The directors believe that obtaining representation on the boards of directors of such companies will be of benefit to the company and therefore the company will be seeking representation on the boards of directors of a number of companies.
- The directors will continue to pursue negotiations for a merger between the company and a company listed on the ASX market with the twin objectives being to increase funds available for investment whilst at the same time providing a more liquid market for the shares in the company held by shareholders.

The directors are continuously examining opportunities to improve the profit of the company and maximise shareholder wealth.

**Environmental Issues**

The operations of the company are not regulated by any significant environmental regulation under a law of the Commonwealth of Australia or the State of Victoria.

**Information on Directors**

**Massimo Livio Cellante**

*(Age 33)*

Qualifications	Bachelor of Commerce (Deakin University)
Experience	Board member since 5 April 2005. A director of the Cellante group of property development and investment companies since 1992.
Interest in securities	6,345,000 fully paid ordinary shares in the company.
Special Responsibilities	Executive Chairman and Managing Director.

**Ramon Jimenez**

*(Age 28)*

Qualifications	Member of the Australian Institute of Company Directors. Associate of the Law Institute of Victoria.
Experience	Board member since 5 April 2005. A director of the Landwise Group of companies since 1997.
Interest in securities	6,345,000 fully paid ordinary shares in the company.
Special Responsibilities	Executive Director and Company Secretary

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**Information on Directors (continued)**

**Romano Livio Cellante**

*(Age 34)*

Qualifications	Diploma of Accounting (Swinburne University)
Experience	Board member since 5 April 2005. A director of the Cellante group of property development and investment companies since 1992.
Interest in securities	6,345,000 fully paid ordinary shares in the company.
Special Responsibilities	Non-executive Director.

**Dean Pagnin**

*(Age 33)*

Qualifications	Diploma of Accounting (Swinburne University)
Experience	Board member since 30 November 2006. A director of a number of private investment companies.
Interest in securities	2,310,000 fully paid ordinary shares in the company.
Special Responsibilities	Non-executive Director.

**REMUNERATION REPORT**

This report details the nature and amount of remuneration for each director of the company, and for the executives receiving the highest remuneration.

**Remuneration Policy**

Remuneration issues are addressed by the directors. The company has no employees and the executive directors are responsible for managing the affairs of the company.

In view of their significant indirect financial interest in the company the executive directors have elected not to seek remuneration from the company at this time and accordingly the company has not developed a remuneration policy. In the event that the executive directors were to seek remuneration from the company then the company would be obliged to formulate an appropriate remuneration policy. Such a policy would be formulated and voted upon by directors other than those to whom the remuneration would be payable.

The Constitution of the company requires that shareholder approval be obtained for the payment of remuneration to non-executive directors. No approval has been obtained for the payment of remuneration to non-executive directors and therefore no remuneration is paid.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**REMUNERATION REPORT (continued)**

**Performance based remuneration**

No performance based remuneration is paid by the company.

**Key Management Personnel Remuneration Policy**

The company does not pay remuneration to key management personnel and therefore there is no policy regarding such remuneration.

**Key Management Personnel Remuneration**

**2007**

<b>Key Management Person</b>	<b>Cash, salary and commissions \$</b>	<b>Short-term Benefits</b>			<b>Post-employment Benefits</b>
		<b>Cash profit share \$</b>	<b>Non-cash benefit \$</b>	<b>Other \$</b>	<b>Super-annuation \$</b>
M. L. Cellante	-	-	-	-	-
R. Jimenez	-	-	-	-	-
R. L. Cellante	-	-	-	-	-
D. Pagnin	-	-	-	-	-
	-	-	-	-	-

**2007**

**(continued)**

<b>Key Management Person</b>	<b>Other Long-term Benefits</b>	<b>Share-based Payment</b>		<b>Total</b>	<b>Performance Related</b>
	<b>Other \$</b>	<b>Equity \$</b>	<b>Options \$</b>	<b>Other \$</b>	<b>%</b>
M. L. Cellante	-	-	-	-	-
R. Jimenez	-	-	-	-	-
R. L. Cellante	-	-	-	-	-
D. Pagnin	-	-	-	-	-
	-	-	-	-	-

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**REMUNERATION REPORT (continued)**

**Key Management Personnel Remuneration (continued)**

**2006**

<b>Key Management Person</b>	<b>Cash, salary and commissions \$</b>	<b>Short-term Benefits</b>		<b>Other \$</b>	<b>Post-employment Benefits</b>
		<b>Cash profit share \$</b>	<b>Non-cash benefit \$</b>		<b>Super-annuation \$</b>
M. L. Cellante	-	-	-	-	-
R. Jimenez	-	-	-	-	-
R. L. Cellante	-	-	-	-	-
D. Pagnin	-	-	-	-	-
	-	-	-	-	-

**2006**

**(continued)**

<b>Key Management Person</b>	<b>Other Long-term Benefits</b>	<b>Share-based Payment</b>		<b>Total</b>	<b>Performance Related</b>
	<b>Other \$</b>	<b>Equity \$</b>	<b>Options \$</b>	<b>Other \$</b>	<b>%</b>
M. L. Cellante	-	-	-	-	-
R. Jimenez	-	-	-	-	-
R. L. Cellante	-	-	-	-	-
D. Pagnin	-	-	-	-	-
	-	-	-	-	-

**Performance income as a proportion of total remuneration**

No performance income is paid by the company.

**Options issued as part of remuneration for the year ended 30 June 2007**

No options were issued as part of remuneration for the year ended 30 June 2007.

**Shares issued on Exercise of Compensation Options**

No shares were issued during the year on the exercise of compensation options

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**Meetings of Directors**

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

	<i>Directors' Meetings</i>	
	<i>Number eligible to attend</i>	<i>Number attended</i>
Massimo Livio Cellante	4	4
Ramon Jimenez	4	4
Romano Livio Cellante	4	4
Dean Pagnin	-	-

Due to the size of the company and the nature of its activities all management issues are considered by the full board of directors.

No committees of directors have been established.

**Options**

At the date of this report, the unissued fully paid ordinary shares of the company under option are as follows:

<i>Grant Date</i>	<i>Expiry Date</i>	<i>Exercise Price</i>	<i>Number under option</i>
29 August 2005	31 March 2008	\$0.25	500,000

These options were issued to Taylor Collison Limited in connection with an underwriting agreement for the initial public offer of shares.

**Indemnifying Officers or Auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

**Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

**Non-Audit Services**

The auditors did not provide any non-audit services to the company during the financial year.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' REPORT**

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 16 of the annual report.

Signed in accordance with a resolution of the Board of Directors.



Director .....  
MR. M. L. CELLANTE

Dated this 28<sup>th</sup> day of September, 2007.

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF BELL IXL INVESTMENTS LIMITED**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Bell IXL Investments Limited for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

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

**GRANT THORNTON**  
**South Australian Partnership**  
Chartered Accountants

  
**S J GRAY**  
Partner

Signed at *Adelaide* this *28* day of *September* 2007

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Final and Dec 2007 Bell IXL Investments Ltd June 07.DOC



**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**INCOME STATEMENT**  
FOR THE YEAR ENDED 30 JUNE 2007

	<b>Note</b>	2007 \$	2006 \$
Net realised gains on trading portfolio	<b>2</b>	90,315	48,328
Net unrealised gains on trading portfolio	<b>2</b>	457,840	20,826
Income from trading portfolio	<b>2</b>	70,767	37,681
Other revenue	<b>2</b>	45,952	27,309
Impairment of assets	<b>3</b>	(182,062)	-
Other expenses	<b>3</b>	(58,030)	(33,759)
Net profit before income tax		<u>424,782</u>	<u>100,385</u>
Income tax expense	<b>4</b>	(177,161)	(20,572)
Net profit after income tax		<u>247,621</u>	<u>79,813</u>
Basic earnings per share (cents per share)	<b>8</b>	1.96	0.78
Diluted earnings per share (cents per share)	<b>8</b>	1.96	0.78

The accompanying notes form part of these financial statements.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**BALANCE SHEET**  
AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash assets	<b>9</b>	11,635	985,115
Trade and other receivables	<b>10</b>	962,822	25,973
Trading portfolio	<b>11</b>	2,479,604	1,470,039
<i><b>TOTAL CURRENT ASSETS</b></i>		3,454,061	2,481,127
<b>NON-CURRENT ASSETS</b>			
Deferred tax assets	<b>14</b>	32,405	68,921
Other investments	<b>12</b>	12,500	-
<i><b>TOTAL NON-CURRENT ASSETS</b></i>		44,905	68,921
<b>TOTAL ASSETS</b>		3,498,966	2,550,048
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<b>13</b>	121,789	8,070
Current tax liabilities	<b>14</b>	18,315	41,206
<i><b>TOTAL CURRENT LIABILITIES</b></i>		140,104	49,276
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	<b>14</b>	150,837	20,368
<i><b>TOTAL NON-CURRENT LIABILITIES</b></i>		150,837	20,368
<b>TOTAL LIABILITIES</b>		290,941	69,644
<b><u>NET ASSETS</u></b>		3,208,025	2,480,404
<b>EQUITY</b>			
Issued capital	<b>15</b>	2,863,754	2,383,754
Retained profits		344,271	96,650
<b><u>TOTAL EQUITY</u></b>		3,208,025	2,480,404

The accompanying notes form part of these financial statements.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	<b>Note</b>	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total \$</b>
Balance at 1 July 2005		1,550,000	123,437	1,673,437
Shares issued during the period	<b>15</b>	898,000	-	898,000
Profit for the period		-	79,813	79,813
Capital raising costs (net of tax)		(64,246)	-	(64,246)
Dividends paid to shareholders	<b>7</b>	-	(106,600)	(106,600)
<b>BALANCE AT 30 JUNE 2006</b>		<u>2,383,754</u>	<u>96,650</u>	<u>2,480,404</u>
Balance at 1 July 2006		2,383,754	96,650	2,480,404
Shares issued during the period	<b>15</b>	480,000	-	480,000
Profit for the period		-	247,621	247,621
<b>BALANCE AT 30 JUNE 2007</b>		<u>2,863,754</u>	<u>344,271</u>	<u>3,208,025</u>

The accompanying notes form part of these financial statements.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**CASH FLOW STATEMENT**  
FOR THE YEAR ENDED 30 JUNE 2007

	<b>Note</b>	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Sale of investments		629,402	492,833
Purchase of investments		(1,737,716)	(557,843)
Payments to suppliers		(55,691)	(31,424)
Interest received		47,219	15,460
Dividends received		43,168	15,873
Income taxes paid		(11,837)	(37,972)
GST refund received		1,975	2,166
Net cash provided by (used in) operating activities	<b>19(a)</b>	<u>(1,083,480)</u>	<u>(100,907)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash provided by (used in) investing activities		<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	583,000
Initial public offer costs		-	(67,813)
Proceeds from borrowings		173,750	-
Repayment of borrowings		(63,750)	(98,522)
Dividends paid		-	(106,600)
Net cash provided by (used in) financing activities		<u>110,000</u>	<u>310,065</u>
Net increase (decrease) in cash held		(973,480)	209,158
Cash at beginning of the financial period		985,115	775,957
Cash at end of the financial period	<b>9</b>	<u><u>11,635</u></u>	<u><u>985,115</u></u>

The accompanying notes form part of these financial statements.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

**Note 1: Statement of Significant Accounting Policies**

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

The financial report covers Bell IXL Investments Limited as an individual entity. Bell IXL Investments Limited is a public company listed on the stock market conducted by National Stock Exchange of Australia Limited, incorporated and domiciled in Australia.

The financial report of Bell IXL Investments Limited as an individual entity complies with all Australian Equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Compliance with AIFRS ensures compliance with International Financial Reporting Standards.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

**(a) Financial Assets**

*Classification of financial assets*

Securities, including listed and unlisted shares, are initially brought to account at cost (including any associated transaction costs) and are continuously revalued to fair value. It is the investment policy of the company to constantly pursue opportunities for the successful realisation of investments for the benefit of shareholders. As a consequence all investments are held within a 'trading portfolio'. The company is not a long-term investor and accordingly investments are classified as 'current assets'. In the situation where the company obtains significant influence in the affairs of an entity in which an investment is held then such investment may be classified differently depending on the particular circumstances.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

**Note 1: Statement of Significant Accounting Policies (continued)**

**Accounting Policies (continued)**

**(a) Financial Assets (continued)**

*Treatment of realised and unrealised gains and losses*

Realised and unrealised gains and losses arising from changes in fair value of investments are included in the Income Statement in the period in which they arise. At each reporting date, the company assesses whether there is evidence that a financial asset has been impaired. Impairment losses are recognised in the Income Statement.

*Determination of fair value of financial assets*

Fair value for the purpose of valuing holdings of securities is determined by reference to market prices prevailing at balance date, predominantly last sale price, where securities are traded on an organised market. Where a security is not so traded, the directors have determined the fair value of the security. An allowance is made for realisation costs where considered appropriate.

*Treatment of income received from financial assets*

Distributions relating to listed securities are recognised when those securities are quoted on an ex-distribution basis. Distributions relating to unlisted securities are recognised when received.

**(b) Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

**Note 1: Statement of Significant Accounting Policies (continued)**

**Accounting Policies (continued)**

**(b) Income Tax (continued)**

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(c) Cash**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the balance sheet.

**(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 Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(e) Share based payments**

Where the company issues shares or other securities for the acquisition of assets or to discharge liabilities the company assesses the fair value of the instruments issued by reference to the market price at which those securities are being traded together with an analysis of the underlying value of the securities. In the case where assets are acquired then the fair value of those assets is assessed by reference to market prices, where possible, or to the underlying value of the assets.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

**Note 1: Statement of Significant Accounting Policies (continued)**

**Accounting Policies (continued)**

**(f) Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current 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 from within the company.

*Key Judgments - Fair value of Financial Assets*

Included in financial assets at 30 June 2007 is an amount of \$158,956 being the aggregate value of 144,505 fully paid ordinary shares in Sunvest Corporation Limited ("Sunvest") which is an investment company listed on the ASX market. At balance date the last sale price for fully paid ordinary shares in Sunvest was \$0.88. The company has the benefit of a put option entitling it to sell up to 150,000 fully paid ordinary shares in Sunvest Limited at \$1.10 per share. The directors formed the view that it was appropriate, having regard to all the circumstances, to calculate the value of the investment held by the company in Sunvest by reference to the price at which the company can sell shares in Sunvest under the put option rather than the last sale price for those shares. The last sale price of Sunvest Corporation Limited shares was less than the average cost per share paid by the company.

The financial report was authorised for issue on 28 September 2007 by the board of directors.

<b>Note 2: Revenue</b>	<b>Note</b>	<b>2007</b> \$	<b>2006</b> \$
Operating activities			
- Net realised gains from trading portfolio		90,315	48,328
- Net unrealised gains from trading portfolio		457,840	20,826
- Dividends received		70,767	37,681
- Interest received		45,952	27,309
		<u>664,874</u>	<u>134,144</u>



**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

<b>Note 3: Profit</b>	<b>Note</b>	2007 \$	2006 \$
Net profit before income tax was determined after:			
<b>Expenses</b>			
- Legal fees		-	9,762
- Impairment of assets		182,062	-
- Other expenses		58,030	23,997
		<u>240,092</u>	<u>33,759</u>

**Note 4: Income Tax Expense**

<b>(a)</b> The components of tax expense comprise:			
Current tax		123,898	12,041
Deferred tax		53,263	8,531
		<u>177,161</u>	<u>20,572</u>
<b>(b)</b> The prima facie tax on net profit before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on net profit before income tax at 30%.		127,435	30,115
Add:			
Tax effect of:			
- Other non-allowable items		1,970	1,650
- Revaluation of shares not subject to income tax		53,743	15,441
Less:			
Tax effect of:			
- Capital raising costs		(5,987)	(18,355)
- Withholding tax credits		-	(8,279)
Income tax attributable to entity		<u>177,161</u>	<u>20,572</u>

**Note 5: Key Management Personnel Compensation**

- (a) Names and positions held of company key management personnel in office at any time during the financial year are:**

<b>Key management Person</b>	<b>Position</b>
Mr. M. L. Cellante	Executive Chairman and Managing Director
Mr. R. Jimenez	Executive Director and Company Secretary
Mr. R. L. Cellante	Non-executive Director
Mr. D. Pagnin	Non-executive Director

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

**Note 5: Key Management Personnel Compensation (continued)**

Key management personnel remuneration information has been included in the Remuneration Report section of the Directors Report.

**(b) Options and Rights Holdings**

There were no options or rights held by key management personnel at the end of, or at any time during, the financial year. No options were granted to key management personnel as compensation and no such options were exercised during the year.

**(c) Shareholdings**

**Number of Shares held by Key Management Personnel**

<b>Key Management Personnel</b>	<b>Balance 1.7.2006</b>	<b>Received as Compensation</b>	<b>Options Exercised</b>	<b>Net Change Other</b>	<b>Balance 30.6.2007</b>
M. L. Cellante	7,905,000	-	-	(1,560,000)	6,345,000
R. Jimenez	7,905,000	-	-	(1,560,000)	6,345,000
R. L. Cellante	7,905,000	-	-	(1,560,000)	6,345,000
D. Pagnin	-	-	-	2,310,000	2,310,000

<b>Note 6: Auditors' Remuneration</b>	<b>Note</b>	<b>2007 \$</b>	<b>2006 \$</b>
Remuneration of the auditor of the Company for:			
- Auditing or reviewing the financial report		12,950	9,900
		<u>12,950</u>	<u>9,900</u>

**Note 7: Dividends**

**(a) Dividends Paid**

No dividends have been paid (2006: one cent per fully paid ordinary share fully franked)

-	106,600
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**(b) Dividends Declared**

No dividends have been declared.

-	-
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**(c) Franking Account**

Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax.

160,556	44,796
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**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

<b>Note 8: Earnings per Share</b>	<b>Note</b>	<b>2007 \$</b>	<b>2006 \$</b>
Earnings used in calculation of basic EPS		247,621	79,813
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS.		12,620,989	10,215,644
Weighted average number of ordinary shares outstanding during the period used in calculation of diluted EPS.		12,620,989	10,215,644
The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share:			
- Options outstanding		500,000	500,000

**Note 9: Cash Assets**

Cash at bank and on hand	956	19,655
Deposits at call	10,679	965,460
	<u>11,635</u>	<u>985,115</u>

Cash at bank and on hand yields no interest. Deposits at call yield interest at an effective rate of 6.00% (2006: 5.50%). The credit risk exposure of the company in relation to cash and deposits is the carrying amount and any accrued unpaid interest.

**Reconciliation of Cash**

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:

Cash assets	<u>11,635</u>	<u>985,115</u>
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**Note 10: Trade and other receivables**

**CURRENT**

Interest accrued on deposits	10,581	11,849
Outstanding settlements - sale of securities	951,205	13,250
Other debtors	1,036	874
	<u>962,822</u>	<u>25,973</u>

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

**Note 10: Trade and other receivables (continued)**

Receivables are non-interest bearing and unsecured.  
The credit risk exposure of the company in relation to receivables is the carrying amount.

**Note 11: Trading portfolio**

CURRENT

Listed investments, at market value:

- Shares	<u>2,479,604</u>	<u>1,470,039</u>
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**Note 12: Other investments**

NON-CURRENT

Other investments at cost	<u>12,500</u>	<u>-</u>
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**Note 13: Trade and other payables**

**Note**

2007	2006
\$	\$

CURRENT

Unsecured liabilities

Trade payables	11,789	8,070
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Amounts payable to:

- other related parties	22	<u>110,000</u>	<u>-</u>
		<u>121,789</u>	<u>8,070</u>

**Note 14: Tax**

**(a) Liabilities**

CURRENT

Income Tax	<u>18,315</u>	<u>41,206</u>
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NON-CURRENT

Deferred tax liability comprises:

- Deferred income tax on unrealised gains	<u>150,837</u>	<u>20,368</u>
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**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

Note 14: Tax (continued)	Note	2007 \$	2006 \$
<b>(b) Assets</b>			
NON-CURRENT			
Deferred tax assets comprise:			
- Accrued expenses		2,400	1,650
- Transaction costs on equity issue		16,520	22,026
- Unrealised losses		13,485	45,245
		<u>32,405</u>	<u>68,921</u>

**Note 15: Issued capital**

11,785,000 fully paid ordinary shares (2006: 11,550,000)	<b>15(a)</b>	2,445,254	2,374,754
1,395,000 fully paid limited voting ordinary shares (2006: 30,000)	<b>15(b)</b>	418,500	9,000
		<u>2,863,754</u>	<u>2,383,754</u>

<b>(a) Ordinary Shares</b>	Number	\$
At the beginning of the reporting period	11,550,000	2,374,754
Shares issued during the period:		
- 25 August 2006 - placement	70,000	21,000
- 31 August 2006 - placement	165,000	49,500
At the end of the reporting period	<u>11,785,000</u>	<u>2,445,254</u>

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

Note 15: Issued capital (continued)	Note	2007 \$	2006 \$
<b>(b) Limited Voting Ordinary Shares</b>		Number	\$
At the beginning of the reporting period		30,000	9,000
Shares issued during the period:			
- 10 October 2006 - placement		1,165,000	349,500
- 22 June 2007 - placement		200,000	60,000
At the end of the reporting period		<u>1,395,000</u>	<u>418,500</u>
Limited voting ordinary shares have the same rights as ordinary shares save and except that holders of limited voting ordinary shares may only vote on proposals that affect the rights attached to the limited voting ordinary shares.			

**(c) Options**

On 29 August 2005 the company issued 500,000 options to acquire fully paid ordinary shares in the company with an expiry date of 31 March 2008 in connection with an underwriting agreement for the initial public offer of shares. The exercise price is \$0.25 per option. At balance date there were 500,000 unissued ordinary shares for which options were outstanding.

**Note 16: Capital and Leasing Commitments**

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable - minimum lease payments

- not later than 12 months

18,856

-

The property lease is a non-cancellable lease with a term that ends in September 2008. The rent is now fixed for the duration of the term. An option exists to renew the lease for two further terms of two years each. The lease allows for subletting of lease areas with the approval of the landlord.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

<b>Note 17: Contingent Liabilities</b>	<b>Note</b>	2007 \$	2006 \$
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The company does not have any material contingent liabilities or commitments for expenditure at 30 June 2007.

**Note 18: Segment Reporting**

The company operates solely in one business and geographical segment being the acquisition and realisation of listed investments in Australia.

**Note 19: Cash Flow Information**

**(a) Reconciliation of Cash Flow from Operations with Net profit after income tax**

Net profit after income tax	247,621	79,813
Non-cash flows in net profit after income tax		
- Net movement in investments	(84,134)	(76,865)
- Dividend reinvestment	-	(10,504)
- Unrealised gains on investments	(457,840)	(20,826)
Changes in assets and liabilities:		
- (Increase) in receivables	(936,850)	(25,135)
- Increase in income taxes payable	(22,981)	3,234
- Increase in deferred tax liabilities	130,649	7,800
- (Increase) in deferred tax assets	36,516	(39,737)
- Increase in accounts payable	3,719	(18,687)
Cash flow from operations	<u>(1,083,480)</u>	<u>(100,907)</u>

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

<b>Note 20: Share Based Payments</b>	<b>Note</b>	2007 \$	2006 \$
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During the year the company issued a total of 1,600,000 shares as part consideration for the acquisition by the company of listed securities. All such shares were issued at a deemed issue price of 30 cents per share. In issuing the shares the company has had regard to current market prices for the securities of the company together with the underlying value of those securities. The company is of the view that the assets acquired represent fair value for the shares that were issued.

**Note 21: Events After the Balance Sheet Date**

The following significant events affecting the company occurred after balance date:

- The company has agreed to issue 230,000 fully paid ordinary shares and 273,000 fully paid limited voting ordinary shares at 30 cents per share and pay the sum of \$90,000 cash as consideration for the acquisition of listed securities. The shares have not yet been issued.
- The company has negotiated a transaction for the sale of the bulk of a significant investment held by the company. Although the investment is comprised of shares listed on the ASX market, the market for the shares is illiquid and it was not considered possible to dispose of the investment through the market at a price acceptable to the company. As a result, companies associated with directors of the company have agreed to purchase part of the investment for \$338,250 cash, being a price per share substantially exceeding current market prices. The company has obtained legal advice that the transaction does not require shareholder approval pursuant to chapter 2E of the *Corporations Act 2001* and the company has been granted a waiver of NSX listing rule 6.43 so as to permit the transaction to be undertaken without shareholder approval. The transaction will have no impact on profit.



**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2007

<b>Note 22: Related Party Transactions</b>	<b>Note</b>	2007 \$	2006 \$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated.			
Transactions with related parties:			
(i) Former ultimate parent entity			
Sub-underwriting by The Bell IXL Group Limited of the initial public share offer. The company did not pay a sub-underwriting fee to The Bell IXL Group Limited but the ultimate parent entity received a sub-underwriting fee from Taylor Collison Limited.		-	-
Non-interest bearing loan repaid to The Bell IXL Group Limited		-	60,000
(ii) Former subsidiaries of ultimate parent entity			
Non-interest bearing loan repaid to Bell IXL Nominees Pty. Limited.		-	38,522
(iii) Other related parties			
Unsecured non-interest bearing loans received from The Bell IXL Group Limited		113,750	-
Unsecured non-interest bearing loans received from Cellante Group Finance Pty. Ltd.		60,000	-
Unsecured non-interest bearing loans repaid to The Bell IXL Group Limited		(3,750)	-
Unsecured non-interest bearing loans repaid to Cellante Group Finance Pty. Ltd.		(60,000)	-

**Note 23: Company Details**

The registered office and principal place of business of the company is situated at:

Bell IXL Investments Limited  
Level 2, 651-653 Doncaster Road  
Doncaster, Victoria 3108

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

<b>Note 24: Financial Risk Management</b>	<b>Note</b>	<b>2007</b> \$	<b>2006</b> \$
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The financial instruments held by the company consist mainly of deposits with banks and publicly listed shares issued by Australian companies. The risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

**(a) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or the income generated from it will fluctuate as a result of changes in market interest rates. The company is vulnerable to movements in interest rates as its deposits earn interest at floating rates. The company has no interest bearing debt obligations.

**(b) Liquidity risk**

Liquidity risk is the risk that an entity will have difficulty in meeting its financial liabilities. The company is not vulnerable to liquidity risk as it carefully monitors its cash-flow requirements and ensures that it has access to sufficient funds to meet its obligations. In addition a large part of the assets of the company comprise listed shares which can be sold to raise funds if necessary.

**(c) Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company manages its credit risk by ensuring that surplus funds are only deposited with, or invested in, parties with a high degree of creditworthiness such as Australian banks.

**(d) Price Risk**

Price risk is that the fair value or future cash flows of a financial instrument fluctuate because of changes in market price. The company is subject to price risk by virtue of the fact that its principal activity is to invest in securities that are freely traded on organised markets and hence the market price of the securities can fluctuate.

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 17 to 34, 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 2007 and of the performance for the year ended on that date of the company.
2. The Executive Chairman and Managing Director (being the person who performs the chief executive function) and the Company Secretary (being the person who performs the chief financial officer function) have each declared that:
  - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....

MR. M. L. CELLANTE

Dated this 28<sup>th</sup> day of September, 2007.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BELL IXL INVESTMENTS LIMITED  
ACN 113 669 908**

**Report on the financial report**

We have audited the accompanying financial report of Bell IXL Investments Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

**Directors' responsibility for the financial report**

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

**Auditor's responsibility**

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

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

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

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**Independence**

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

**Auditor's opinion**

In our opinion:

- (a) The financial report of Bell IXL Investments Limited is in accordance with the *Corporations Act 2001*, including:
  - i. Giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 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.
- (c) The remuneration disclosures that are contained in the directors' report comply with Accounting Standard AASB 124.

**GRANT THORNTON**  
**South Australian Partnership**  
Chartered Accountants



**S J GRAY**  
Partner

Signed at *Adelaide* this *28* day of *September* 2007

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**ADDITIONAL INFORMATION FOR LISTED COMPANIES**

The following information, current as at 28 September 2007, is disclosed pursuant to the Listing Rules of Stock Exchange of Newcastle Limited.

**(a) Distribution of Shareholders - Ordinary Shares**

The distribution of the fully paid ordinary shares of the company is as follows:

<b>Range</b>	<b>Number of shareholders</b>	<b>Number of shares</b>	<b>% of issued capital</b>
1 - 1,000	0	0	0.00
1,001 - 5,000	1	5,000	0.04
5,001 - 10,000	14	140,000	1.19
10,001 - 100,000	14	743,900	6.31
100,001 and over	14	10,896,100	92.46
	<b>43</b>	<b>11,785,000</b>	<b>100.00</b>

The number of shareholders holding less than a marketable parcel is nil.

**(b) Distribution of Shareholders - Limited Voting Ordinary Shares**

The distribution of the fully paid ordinary shares of the company is as follows:

<b>Range</b>	<b>Number of shareholders</b>	<b>Number of shares</b>	<b>% of issued capital</b>
1 - 1,000	0	0	0.00
1,001 - 5,000	0	0	0.00
5,001 - 10,000	0	0	0.00
10,001 - 100,000	0	0	0.00
100,001 and over	3	1,395,000	100.00
	<b>3</b>	<b>1,395,000</b>	<b>100.00</b>

The number of shareholders holding less than a marketable parcel is nil.

**(c) Substantial Shareholders**

The names of the substantial shareholders that have given notice to the company under section 671B of the *Corporations Act 2001* are as follows:

<b>Name</b>	<b>Number of shares</b>
The Bell IXL Group Limited and its associates	6,345,000
Biloclan Pty. Limited	2,310,000
Sunvest Corporation Limited	790,000

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**ADDITIONAL INFORMATION FOR LISTED COMPANIES (CONTINUED)**

**(d) Voting Rights**

At meetings of shareholders each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Holders of limited voting ordinary shares may only vote on proposals that affect the rights attached to limited voting ordinary shares.

**(e) 20 Largest Shareholders - Fully Paid Ordinary Shares**

<b>Name</b>	<b>Number of shares</b>	<b>% of issued capital</b>
The Bell IXL Group Limited	5,695,000	48.32
Biloclan Pty Limited	2,310,000	19.60
Sunvest Corporation Limited	790,000	6.70
BBX Holdings Limited	450,000	3.82
Mr Simon Javor	303,900	2.58
Mr K. W. Seabrook & Mrs S. J. Seabrook	250,000	2.12
Miss Licia Nunzia Buccheri	200,000	1.70
Kintara Nominees Pty Ltd	200,000	1.70
Monvale Investments Pty Ltd	200,000	1.70
Productof foam Holdings Pty Limited	200,000	1.70
Mrs Josephine Cellante	151,100	1.28
Mr Michael Damian Murphy	125,000	1.06
Mr Pat Lamanna	100,000	0.85
Vince Lamanna	100,000	0.85
PEQ Nominees Pty Limited	100,000	0.85
Mr John Farms Scobie	100,000	0.85
Mr Robert Salvatore Bisignano	50,000	0.42
Cellante Securities Pty Limited	50,000	0.42
Chapmans Ltd	50,000	0.42
Mr D. G. Spencer & Mrs A. Rumbold	50,000	0.42
	<u>11,475,000</u>	<u>97.36</u>

**(f) 3 Largest Shareholders - Limited Voting Ordinary Shares**

<b>Name</b>	<b>Number of shares</b>	<b>% of issued capital</b>
BBX Holdings Limited	1,000,000	71.68
Longreach Oil Limited	230,000	16.49
Southern Cross Exploration NL	165,000	11.83
	<u>1,395,000</u>	<u>100.00</u>

**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**ADDITIONAL INFORMATION FOR LISTED COMPANIES (CONTINUED)**

**(g) Comparative Financial Information**

	<b>2007</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net profit before tax	424,782	100,385	172,327
Tax	(177,161)	(20,572)	(48,890)
Net profit after tax	<u>247,621</u>	<u>79,813</u>	<u>123,437</u>
Current assets	3,454,061	2,481,127	1,847,606
Current liabilities	(194,723)	(49,276)	(163,251)
Non-current assets	99,524	68,921	1,650
Non-current liabilities	(150,837)	(20,368)	(12,568)
Shareholders equity	<u><u>3,208,025</u></u>	<u><u>2,480,404</u></u>	<u><u>1,673,437</u></u>

**(h) Corporate Governance Statement**

The board of directors of the company has the responsibility for ensuring that the company is properly managed so that the interests of shareholders are protected and enhanced. The directors strive to ensure disclosure and reporting obligations are complied with in a timely manner and conflicts of interest are avoided.

The board sets strategic aims for the company, reviews the direction of the company and gives or withholds approval for all significant business transactions.

Day-to-day operation and administration of the company has been delegated to the managing director.

Directors are encouraged to seek independent professional advice in the event of any doubt regarding any matter arising in the course of their duties.

Under the Constitution of the company directors are periodically required to retire by rotation and seek re-election by the shareholders of the company.

It is the goal of the company to ensure that shareholders are always in a position to assess the stewardship of the directors. This is achieved through distribution to the shareholders of the annual report of the company. In addition, the company regularly releases public announcements and these announcements are accessible through the Internet at the web site operated by Stock Exchange of Newcastle Limited at <http://www.newsx.com.au/>. The company maintains its own web site which can be accessed at <http://www.bellixl.com/>.

The Annual General Meeting of the company provides an opportunity for shareholders to ask questions of the directors and the auditor. The company will hold informal discussions following the Annual General Meeting where shareholders will have the opportunity to meet and communicate with the directors on a casual basis.



**BELL IXL INVESTMENTS LIMITED**  
(ACN 113 669 908)

**CORPORATE DIRECTORY**

<b>Directors</b>	Massimo Livio Cellante Ramon Jimenez Romano Livio Cellante Dean Pagnin
<b>Company Secretary</b>	Ramon Jimenez
<b>Registered Office and Principal Place of Business</b>	Level 2 651-653 Doncaster Road Doncaster, Victoria 3108 Telephone: (03) 9840 8788 Facsimile: (03) 9840 0088 E-mail: <a href="mailto:info@bellixl.com">info@bellixl.com</a> Internet: <a href="http://www.bellixl.com/">http://www.bellixl.com/</a>
<b>Mailing Address</b>	PO Box 111 Doncaster, Victoria 3108
<b>Share Registry</b>	Link Market Services Limited Level 4 333 Collins Street Melbourne, Victoria 3000
<b>Auditor</b>	Grant Thornton South Australian Partnership Level 1 67 Greenhill Road Wayville, South Australia 5034
<b>Legal Advisers</b>	Pointon Partners Level 2 640 Bourke Street Melbourne, Victoria 3000
<b>Nominated Adviser</b>	Taylor Collison Limited Level 2 12 Pirie Street Adelaide, South Australia 5000
<b>Bankers</b>	Commonwealth Bank of Australia 7-9 The Mall Lower Templestowe, Victoria 3107
<b>Stock Exchange</b>	Stock Exchange of Newcastle Limited Ground Floor 384 Hunter Street Newcastle, New South Wales 2300 Ticker symbols: BXL (ordinary shares) BXLA (limited voting ordinary shares)