

# APPENDIX 3

## Preliminary Announcement

Half yearly/preliminary final report

Name of issuer

Australian Property Systems Limited

ACN or ARBN

096 925 610

Half yearly  
(tick)

√

Preliminary  
final (tick)

Half year/financial year ended  
(‘Current period’)

31 December 2007

### For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

Extracts from this statement for announcement to the market (see note 17).

				\$A,000	
Sales (or equivalent) operating revenue (item 1.1)	down	33%	to	23	
Operating profit (loss) before abnormal items and tax (item 1.4	down	143%	to	(364)	
Abnormal items before tax (item 1.5)		gain (loss) of	to	0	
Operating profit (loss) after tax but before outside equity interests (item 1.8)	down	143%	to	(364)	
Extraordinary items after tax attributable to members (item 1.13)		gain (loss) of	to	-	
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	down	140%	to	(357)	
Exploration and evaluation expenditure incurred (item 5.2)	up/down	-%	to	-	
Exploration and evaluation expenditure written off (item 5.3)	up/down	-%	to	-	
Dividends	Franking rate applicable		N/A	N/A	N/A
Current period	N/A		N/A	N/A	N/A
Previous corresponding period				-	-
Record date for determining entitlements to the dividend, (in the case of a trust distribution ) (see item 15.2)			N/A		
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:					
N/A					

**Consolidated profit and loss account***(The figures are not equity accounted)*

	Current period \$A'000	Previous corresponding period \$A'000
1.1 Sales (or equivalent operating) revenue	23	70
1.2 Other revenue	-	3
1.3 <b>Total revenue</b>	23	73
1.4 <b>Operating profit (loss) before abnormal items and tax</b>	(364)	(254)
1.5 Abnormal items before tax (detail in item 2.1)	-	-
1.6 Operating profit (loss) before tax (items 1.4 + 1.5)	(364)	(254)
1.7 Less tax (see attachment)	-	-
1.8 Operating profit (loss) after tax but before outside equity interests	(364)	(254)
1.9 Less outside equity interests	7	(1)
1.10 <b>Operating profit (loss) after tax attributable to members</b>	(357)	(255)
1.11 Extraordinary items after tax (detail in item 2.3)	-	-
1.12 Less outside equity interests	-	-
1.13 Extraordinary items after tax attributable to members	-	-
1.14 <b>Total operating profit (loss) and extraordinary items after tax (items 1.8 1.11)</b>	(364)	(254)
1.15 Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 . 1.12)	7	(1)
1.16 <b>Operating profit (loss and extraordinary items after tax attributable to members (items 1.10 +1.13)</b>	(357)	(255)
1.17 Retained profits (accumulated losses) at beginning of financial period	(1,690)	(2,155)
1.18 Aggregate of amounts transferred from reserves	-	-
1.19 Total available for appropriation (carried forward)	(2,047)	(2,410)
1.20 Total available for appropriation (brought forward)	(2,047)	(2,410)

**Consolidated profit and loss account continued**

1.21 Dividends provided for or paid	-	-
1.22 Aggregate of amounts transferred to reserves	-	-

1.23	<b>Retained profits (accumulated losses) at end of financial period</b>	(2,047)	(2,410)
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#### Abnormal and extraordinary items

		Consolidated - current period		
		Before tax \$A'000	Related tax \$A'000	After tax \$A'000
2.1	Abnormal items			
	Amortisation of intangibles	-	-	-
2.2	<b>Total abnormal items</b>	-	-	-
2.3	Extraordinary items	-	-	-
2.4	<b>Total extraordinary items</b>	0	0	0

#### Comparison of half year profits

*(Preliminary final statement only)*

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	(357)	(255)
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year	N/A	N/A

**Consolidated balance sheet***(See note 5)*

<b>Current assets</b>		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
4.1	Cash	690	1,136	398
4.2	Receivable	82	66	54
4.3	Investments	-	-	-
4.4	Inventories	219	195	133
4.5	Other (provide details if material)	-	-	-
4.6	<b>Total current assets</b>	991	1,397	585
<b>Non-current assets</b>		-	-	-
4.7	Receivables	-	-	-
4.8	Investments	-	-	-
4.9	Inventories	-	-	-
4.10	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-	-
4.11	Development properties (mining entities)	-	-	-
4.12	Other property, plant and equipment (net)	17	21	15
4.13	Intangibles (net)	137	-	-
4.14	Other (provide details if material)	-	-	-
4.15	<b>Total non-current assets</b>	154	21	15
4.16	<b>Total assets</b>	1,145	1,418	600
<b>Current liabilities</b>		-	-	-
4.17	Accounts payable	144	53	144
4.18	Borrowings	-	-	-
4.19	Provisions	-	-	-
4.20	Other (provide details if material)	-	-	-
4.21	<b>Total current liabilities</b>	144	53	144
<b>Non-current liabilities</b>		-	-	-
4.22	Accounts payable	-	-	-
4.23	Borrowings	-	-	-
4.24	Provisions	-	-	-
4.25	Other (provide details if material)	-	-	-
4.26	<b>Total non-current liabilities</b>	-	-	-
4.27	<b>Total liabilities</b>	144	53	144
4.28	<b>Net assets</b>	1,001	1,365	456

**Consolidated balance sheet continued**

	<b>Equity</b>			
4.29	Capital	2,652	2,652	2,822
4.30	Reserves	403	403	44
4.31	Retained profits (accumulated losses)	(2,047)	(1,689)	(2,410)
4.32	Equity attributable to members of the parent entity	1,008	1,366	456
4.33	Outside equity interests in controlled entities	(7)	(1)	-
4.34	<b>Total equity</b>	1,001	1,365	456
4.35	Preference capital and related premium included as part of 4.31		-	-

**Exploration and evaluation expenditure capitalised**

*To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit*

		Current period \$A'000	Previous corresponding period \$A'000
5.1	Opening balance	N/A	
5.2	Expenditure incurred during current period		
5.3	Expenditure written off during current period		
5.4	Acquisitions, disposals, revaluation increments, etc.		
5.5	Expenditure transferred to Development Properties		
5.6	<b>Closing balance as shown in the consolidated balance sheet</b> (item 4.9)		

**Development properties**

*(To be completed only by issuers with mining interests if amounts are material)*

		Current period \$A'000	Previous corresponding period \$A'000
6.1	Opening balance	N/A	
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	Acquisitions, disposals, revaluation increments, etc.		
6.6	Expenditure transferred to mine properties		
6.7	<b>Closing balance as shown in the consolidated balance sheet</b> (item 4.10)		

# **Consolidated statement of cash flows**

(See note 6)

		Current period \$A'000	Previous corresponding period \$A'000
	<b>Cash flows related to operating activities</b>		
7.1	Receipts from customers	34	43
7.2	Payments to suppliers and employees	(484)	(293)
7.3	Dividends received	-	-
7.4	Interest and other items of similar nature received	20	4
7.5	Interest and other costs of finance paid	(3)	-
7.6	Income taxes paid	-	-
7.7	Other (provide details if material)	-	-
7.8	<b>Net operating cash flows</b>	(433)	(246)
	<b>Cash flows related to investing activities</b>		
7.9	Payments for purchases of property, plant and equipment	-	(13)
7.10	Proceeds from sale of property, plant and equipment	-	-
7.11	Payment for purchases of intangible assets	(13)	-
7.12	Proceeds from sale of equity investments	-	30
7.13	Loans to other entities	-	-
7.14	Loans repaid by other entities	-	-
7.15	Other (provide details if material)	-	-
7.16	<b>Net investing cash flows</b>	(13)	17
	<b>Cash flows related to financing activities</b>		
7.17	Proceeds from issues of securities (shares, options, etc.)	-	250
7.18	Proceeds from borrowings	-	-
7.19	Repayment of borrowings	-	-
7.20	Dividends paid	-	-
7.21	Other (over-subscription for shares)	-	50
7.22	<b>Net financing cash flows</b>	-	300
	<b>Net increase (decrease) in cash held</b>	(446)	71
7.23	Cash at beginning of period (see Reconciliations of cash)	1,136	327
7.24	Exchange rate adjustments to item 7.23	-	-
7.25	<b>Cash at end of period</b> (see Reconciliation of cash)	690	398

**Non-cash financing and investing activities**

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

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**Reconciliation of cash**

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current period \$A'000	Previous corresponding period \$A'000
8.1	Cash on hand and at bank	690	398
8.2	Deposits at call	-	-
8.3	Bank overdraft	-	-
8.4	Other (provide details)	-	-
8.5	Total cash at end of period (item 7.25)	690	398

**Ratios**

		Current period	Previous corresponding period
	<b>Profit before abnormals and tax/sales</b>		
9.1	Consolidated operating profit (loss) before abnormal items and tax (items 1.4) as a percentage of sales revenue (items 1.1)	(1582%)	(362%)
	<b>Profit after tax/equity interests</b>		
9.2	Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.34)	(36%)	(56%)

**Earnings per security (EPS)**

10.1	Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a)	Basic EPS	(0.7)	(0.5)
(b)	Diluted EPS (if materially different from (a))		

<b>NTA backing</b> <i>(see note 7)</i>		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	1.96c	0.89c

**Details of specific receipts/outlays, revenues/expenses**

		Current period A\$'000	Previous corresponding period A\$'000
12.1	Interest revenue included in determining items 1.4	20	4
12.2	Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3	Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	(3)	4
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-
12.5	Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6	Depreciation (excluding amortisation of intangibles)	4	2
12.7	Amortisation of intangibles	-	-

**Control gained over entities having material effect**

*(See note 8)*

13.1	Name of <i>issuer</i> (or <i>group</i> )	N/A
13.2	Consolidated operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i> ) since the date in the current period on which control was acquired	\$
13.3	Date from which such profit has been calculated	
13.4	Operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i> ) for the whole of the previous corresponding period	\$



**Loss of control of entities having material effect***(See note 8)*

14.1	Name of entity (or group)	N/A
14.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group) for the current period to the date of loss of control	\$
14.3	Date from which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$

**Reports for industry and geographical segments**

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 1005 and indicates which amount should agree with items included elsewhere in this statement.

**Segments**

The principal activity of the consolidated entity is the provision of patented (provisional) property development management services in Australia. This segment represents more than 90% of total revenue, total results and total assets of the consolidated entity.

**Dividends**

15.1	Date the dividend is payable	-
15.2	Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	-
18.3	Amount per security	-

		Franking rate applicable	39%	36%	33%
	(Preliminary final statement only)				
15.4	<b>Final dividend:</b> Current year				
15.5	Previous year				
	(Half yearly and preliminary final statements)				
15.6	<b>Interim dividend:</b> Current year	N/A	N/A	N/A	N/A
15.7	Previous year	N/A	N/A	N/A	N/A

**Total annual dividend (distribution) per security***(Preliminary final statement only)*

	Current year	Previous year
15.8 Ordinary securities	¢	¢
15.9 Preference securities	¢	¢

**Total dividend (distribution)**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 Ordinary securities	\$	\$
15.11 Preference securities	\$	\$
15.12 <b>Total</b>	\$	\$

The *dividend or distribution plans* shown below are in operation.

N/A

The last date(s) for receipt of election notices to the *dividend or distribution plans* N/A

Any other disclosures in relation to dividends (distributions)

Nil

## Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Investments in associated entities		Current period A\$'000	Previous corresponding period A\$'000
16.1	Statutory carrying value of investments in associated entities (SCV)	n/a	
16.2	Share of associated entities' retained profits and reserves not included in SCV:		
	Retained profits		
	Reserves		
16.3	<b>Equity carrying value of investments</b>		

## Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period		Contributing to operating profits (loss) and extraordinary items after tax	
17.1	<b>Equity accounted associated entities</b>	Current period	Previous corresponding period	Current period	Previous corresponding period
		N/A		<i>Equity accounted</i>	
17.2	<b>Other material interests</b>	N/A		<i>Not equity accounted (ie part of item 1.14)</i>	

**Issued and listed securities**

*Description includes rate of interest and any redemption or conversion rights together with prices and rates.*

<b>Category of securities</b>		Number issued	Number listed	Par value (cents)	Paid-up value (cents)
18.1	<b>Preference securities</b> <i>(description)</i>				
18.2	Issued during current period				
18.3	<b>Ordinary securities</b>	51,094,000	51,094,000	N/A	(fully paid)
18.4	Issued during current period				
18.5	<b>Convertible debt securities</b> <i>(description and conversion factor)</i>				
18.6	issued during current period				
18.7	<b>Options to be issued</b> <i>(description and conversion factor)</i>	25,000,000	0	Exercise price 50c	0
		1,000,000	0	Exercise price 100c	0
		1,000,000	0	Exercise price 200c	0
18.8	Issued during current period				
18.9	Exercised during current period				
18.10	Expired during current period				
18.11	<b>Debentures</b> <i>(totals only)</i>				
18.12	<b>Unsecured Notes</b> <i>(totals only)</i>				

**Comments by directors**

*Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.*

**Basis of accounts preparation**

*If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. [Delete if in applicable.]*

**Material factors affecting the revenues and expenses of the issuer for the current period**

The consolidated entity recorded an operating loss after tax for the half-year ended 31 December 2007 of \$364,026 (2006: \$253,892 loss). Another milestone was reached during the period whereby Ferry Rd affordable housing complex completed construction and the building is currently being tenanted at very affordable rents. Three other projects are currently at the stage where settlement can occur in the coming months and it is expected that these will settle prior to the end of the financial year. Providing the projects settle in the expected time frame they will deliver approximately \$2.5 million in fees resulting in a profitable outcome for the financial year and sufficient to pay a dividend.

During the period APSL expanded its product offering to where it is now entering into agreements with Not for Profit organisations to utilise the APSL Patented System to meet their social purpose. The Not for Profit organisations are required to use APSL licensees in the delivery of all projects utilising the APSL System. APSL licenses Development Managers, Construction Auditors, Asset Managers, Fund Managers and Lending Managers, who are trained and accredited by APSL to deliver projects under the APSL Patented System

During the period APSL entered into an agreement in principle with KPMG to roll out the APSL Patented System through their substantial networks. It is expected that the formal agreement will be entered into in the near future which should culminate into very favourable outcomes for APSL shareholders and at the same time deliver very positive outcomes to the community.

In line with expanding our product offering to a range of Not for Profit organisations and entering into the expected formal agreement with KPMG, the Directors believe we may need more capital to fund expansion of our training and mentoring process to service the Not for Profits and New Licensees that will be required. Therefore, the Directors have resolved to raise capital via a placement to a limited number of entities that can add value to our delivery process and help us create shareholder value. The intention is to raise via a placement up to \$2 million at 80 cents per share. As part of the capital raising, Tamlin Holdings Pty Ltd (a company associated with Geoffrey Jamieson) will provide options on a 1 for 1 basis to the placement shareholders at a cost of 20 cents per option. Those options are exercisable at any time up to 9th August 2010 at 50 cents per option. This will bring the effective entry price to the placement shareholders at 75 cents per share. The board will make a decision in the near future as to what amount it will accept and whether the entities applying meet our value add criteria in making that decision.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

To the directors knowledge no matter or circumstance has arisen since 31 December 2007 that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future years.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Franking credits available or which will arise on the payment of income tax provided for in the financial statement: Class C (30%) franking credits -\$102,976.

From 1 July 2002 the franking credits available have been measured in accordance with the New Business Tax System (Imputation) Act 2002 as the amount of income tax paid rather than being based on after-tax profits as in previous periods.

The change in the basis of measurement does not change the value of franking credits to shareholders who may be entitled to franking credit benefits.

The directors will consider the payment of future dividends based on the available profit and franking credits of the Company.

Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly statement in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final statement in accordance with AASB 101: Accounting Policies-Disclosure.)*

**Intangible Asset – Development In house Software**

Costs incurred in developing the PSX transaction management system that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to Development In-House Software. IT development costs include only those costs directly attributable to the development phase and are only recognised on completion of technical feasibility and where the Company has an intention and ability to use the asset.

**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the half year report will be available	7 <sup>th</sup> March 2008

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Law* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

N/A

2. This statement, and the financial statements under the *Corporations Law* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

The financial statements have been audited.

The financial statements have been subject to review by a registered auditor (or overseas equivalent).

The financial statements are in the process of being audited or subject to review.

The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualification will follow immediately they are available\* ***Accounts are currently being audited or reviewed by our Auditors Johnston Rorke.***
6. The *issuer* does not have a formally constituted audit committee.

Sign here: ..... Date:

.....  
(Director/Company secretary)

Print name: ....Geoffrey Jamieson.....

## Attachment 1

**Consolidated  
2007  
\$'000**

### **Taxation**

Prima facie income tax benefit calculated at 30%	0
On the loss on ordinary activities	0
Decrease in income tax benefit due to:	
<i>Permanent differences</i>	
Amortisation of intangibles	0
Other	
Benefit of tax losses and timing differences not brought to account	0
Income tax expense attributable to ordinary activities	<u>0</u>
<i>Future income tax benefit not taken to account</i>	0
The potential future income tax benefit in the consolidated entity arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not virtually certain and recovery of timing differences is not assured beyond any reasonable doubt:	
Tax losses carried forward	663,363
Timing differences	

The potential future income tax benefit will only be obtained if:

- i. The consolidated entity derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another company in the consolidated entity in accordance with Division 170 of the Income Tax Assessment Act 1997;
- ii. The consolidated entity continues to comply with the conditions for deductibility imposed by the law; and
- iii. No changes in tax legislation adversely affect the consolidated entity in realising the benefit.



## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated profit and loss account**
  - Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in AASB 1004: *Disclosure of Operating Revenue*.
  - Item 1.2 "other revenue" includes abnormal items, but excludes extraordinary revenue items.
  - Item 1.4 "operating profit (loss) before abnormal items and tax" is calculated before dealing with outside equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.
  - Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.
5. **Consolidated balance sheet**

**Format** The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of AASB 1029. Banking institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of paragraphs 19-21 of AASB 1010: *Accounting for the Revaluation of Non-Current Assets*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of AASB 1029 and paragraph 11 of AASB 1030.
6. **Statement of cash flows** For definitions of "cash" and other terms used in this statement see AASB 1026: *Statement of Cash Flows*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of AASB 1026. Mining exploration *issuers* may use the form of cashflow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under an ASIC Class Order dated 17 August 1994, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are normally the unadjusted figures from the previous corresponding period. However, if the previously reported figures are adjusted to achieve greater comparability, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the list rules for an *issuer* to complete this statement does not prevent the *issuer* issuing reports more frequently. Additional material lodged with the ASIC under the *Corporations Law* must also be given to the Exchange. For example, a *directors'* report and statement, if lodged with the ASIC, must be given to the Exchange.
13. **Accounting Standards** the Exchange will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
14. **Borrowing corporations** As at 1/7/96, this statement may be able to be used by an *issuer* required to comply with the *Corporations Law* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards. However, borrowing corporations must comply with Schedule 5 of the Corporations Regulations. See regulation 3.6.02(4).