

FORM: Half yearly/preliminary final report

Name of *issuer*

E-BUSINESS SYSTEMS LTD

ACN or ARBN

107 353 695

Half yearly
(tick)

Preliminary
final (tick)

✓

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

30 JUNE 2009

For announcement to the market

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

				\$A,000
Revenue (item 1.1)	down	31%	To	12,966
Profit (loss) for the period (item 1.9)	down	470%	To	(1581) *
Profit (loss) for the period attributable to members of the parent (item 1.11)	down	470%	To	(1581) *
* The overall result reported above includes \$446k trading losses in the ordinary course of business. This therefore reflects actual operational performance. The balance of \$1,135 represents an abnormal accounting (ie non-cash) adjustment for impairment costs against intangible assets.				
Dividends	Current period		Previous corresponding period	
Franking rate applicable:				
Final dividend (preliminary final report only)(item 10.13-10.14)				
Amount per security	- *		-	
Franked amount per security	- *		-	
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security	- *		-	
Franked amount per security	- *		-	
* Dividends totalling \$24,000 were paid during the period by its wholly-owned subsidiary Corpnet (Australia) Pty Ltd to that company’s former shareholders before completion of the merger with the company on 11 November 2008.				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Nil				

Consolidated income statement *(The figures are not equity accounted)**(see note 3)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1)</i>	12,966	18,724
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(14,709)	(18,066)
1.3 Finance costs	(24)	(2)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 Profit (loss) before income tax	(1,767)	656
1.6 Income tax expense <i>(see note 4)</i>	186	(229)
1.7 Profit (loss) from continuing operations	-	-
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	(1,581)	427
1.10 Profit (loss) attributable to minority interests		
1.11 Profit (loss) attributable to members of the parent	(1,581)	427
1.12 Basic earnings per <i>security</i> <i>(item 9.1)</i>	(2.12) cents	1.21 cents
1.13 Diluted earnings per <i>security</i> <i>(item 9.1)</i>	(2.12) cents	1.21 cents
1.14 Dividends per <i>security</i> <i>(item 9.1)</i>	-	-

Comparison of half-year profits*(Preliminary final statement only)*

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(296)	- *
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	(1,285)	- *
* No comparative figures are given for the previous corresponding period owing to the accounting treatment required to be applied to the merger transaction with Corpnet (Australia) Pty Ltd which was completed on 11 November 2008.		

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	638	847
3.2	Trade and other receivables	1,461	2,989
3.3	Inventories	136	161
3.4	Other current assets (provide details if material)	45	32
3.5	Total current assets	2,280	4,029
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	158	117
3.13	Investment properties	-	-
3.14	Goodwill	-	20
3.15	Other intangible assets	292	-
3.16	Other (provide details if material) *deferred tax asset	186*	-
3.17	Total non-current assets	636	137
3.18	Total assets	2,916	4,166
Current liabilities			
3.19	Trade and other payables	1,797	2,999
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	-
3.22	Short term provisions	195	241

3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		1,992	3,240
3.25	Liabilities directly associated with non-current assets classified as held for sale (<i>para 38 of AASB 5</i>)	-	-
3.26	Total current liabilities	1,992	3,240
Non-current liabilities			
		Current period - \$A'000	Previous corresponding period - \$A'000
3.27	Long-term borrowings	231	-
3.28	Deferred tax liabilities	-	-
3.29	Long term provisions	-	-
3.30	Other (provide details if material)	-	-
3.31	Total non-current liabilities	231	-
3.32	Total liabilities	2,223	3,240
3.33	Net assets	693	926
Equity			
3.34	Share capital	1,373	2
3.35	Other reserves	-	
3.36	Retained earnings	(680)	924
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	Parent interest	-	-
3.38	Minority interest	-	-
3.39	Total equity	693	926

Consolidated statement of cash flows*(See note 6)**(as per AASB 107: Cash Flow Statements)*

		Current period - \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities			
5.1	Receipts from customers	14,526	17,267
5.2	Payments to suppliers and employees	(14,674)	(16,413)
5.3	Interest and other costs of finance paid	(24)	(2)
5.4	Income taxes paid	2	(214)
5.5	Other (provide details if material)	32	-
5.6	Net cash used in operating activities	(138)	637
Cash flows related to investing activities			
5.7	Payments for purchases of property, plant and equipment	(12)	(52)
5.8	Proceeds from sale of property, plant and equipment	-	-
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	-	-
5.12	Loans repaid by other entities	-	-
5.13	Interest and other items of similar nature received	-	-
5.14	Dividends received	-	-
5.15	Other (provide details if material)	(29)*	(8)*
	*Payments for intangibles		
5.16	Net cash used in investing activities	(41)	(60)
Cash flows related to financing activities			
5.17	Proceeds from issues of securities (shares, options, etc.)	30	2
5.18	Proceeds from borrowings	-	-
5.19	Repayment of borrowings	(36)	-
5.20	Dividends paid	(24)	(142)
5.21	Other (provide details if material)	-	

5.22	Net cash used in financing activities	(30)	(140)
	Net increase (decrease) in cash and cash equivalents	(209)	436
5.23	Cash at beginning of period (see <i>Reconciliations of cash</i>)	847	410
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	Cash at end of period (see <i>Reconciliation of cash</i>)	638	847

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

		Current period \$A'000	Previous corresponding period \$A'000
6.1	Profit (item 1.9)	(1,581)	427
	Adjustments for:		
6.2	Depreciation/Amortisation	61	21
6.3	Impairment of goodwill	12	1
6.4	Impairment of receivables	8	4
6.5	Impairment of inventory	12	-
6.5	Impairment of distribution rights	1,135	-
6.5	Increase/decrease in trade receivables	1,418	(1,293)
6.6	Increase/decrease in non trade receivables	112	(101)
6.7	Increase/decrease in inventories	13	(98)
6.8	Increase/decrease in other assets	(16)	8
6.9	Increase/decrease in tax assets	(184)	14
6.10	Increase/decrease in accounts payable	(1,144)	1,643
6.11	Increase/decrease in unearned income	62	(62)
6.12	Increase/decrease in employee benefits	(45)	73
6.10	Net cash from operating activities (item 5.6)	(138)	637

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000
	Revenue		
	Interest received	32	32
	Trading income	12,934	18,692
7.1	Total Revenue	12,966	18,724
	Expenses		
	Cost of sales	(9,760)	(14,101)
	Administration	(675)	(703)
	Employee benefit expense	(2,793)	(2,984)
	Marketing expense	(26)	(58)
	Leasing expense	(239)	(194)
	Depreciation expense	(61)	(21)
	Impairment of receivables	(8)	(4)
	Impairment of goodwill	(1,147)	(1)
7.2	Finance expense	(24)	(2)
	Total Expenses	(14,733)	(18,068)
	Profit (loss) before tax	(1,767)	656

Ratios

		Current period	Previous corresponding period
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	(13.63%)	3.50%
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	(228.30%)	46.10%

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

Basic – (2.12) cents
Diluted – (2.12) cents

Dividends

- 10.1 Date the dividend is payable

- *

*-No dividends were paid by the company during the period. Dividends totalling \$24,000 were paid during the period by its wholly-owned subsidiary Corpnet (Australia) Pty Ltd to that company's former shareholders before completion of the merger with the company on 11 November 2008.

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

-

- 10.3 If it is a final dividend, has it been declared?

- 10.4 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*

-

- 10.5 Any other disclosures in relation to *dividends or distributions*

n/a

Dividends paid or provided for on all securities

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
Dividends paid or provided for during the reporting period				
10.6	Current year interim	24	-	100%
10.7	Franked dividends			
10.8	Previous year final	-	142	100%
10.9	Franked dividends			
Dividends proposed and not recognised as a liability				
10.10	Franked dividends	-	-	-

Dividends per security

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

		Current year	Previous year	Franking rate applicable
Dividends paid or provided for during the reporting period				
10.11	Current year interim	-	-	-
10.12	Franked dividends – cents per share	-	-	-
10.13	Previous year final	-	-	-
10.14	Franked dividends – cents per share	-	-	-
Dividends proposed and not recognised as a liability				
10.15	Franked dividends – cents per share	- *	- *	- *
* Franking per share is not shown because relevant sums were paid to former shareholders of Corpnet (Australia) Pty Ltd before completion of the merger with the company and are therefore not relevant to holders of shares in the company itself.				

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value - A\$'000	Current period – A\$'000	Previous corresponding period – A\$'000
14.1	Preference securities (description)	-	-	-	-	-
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5	Balance at end of period	-	-	-	-	-
14.6	Ordinary securities (description)					
14.7	Balance at start of period	50,399,450		2	2	-

14.8	a) Increases through issues	269,347,494		1,371	1,371	2
14.9	b) Decreases through returns of capital, buybacks etc.	(239,810,208)		-	-	-
14.10	Balance at end of period	79,936,736		1,373	1,373	2
14.11	Convertible Debt Securities <i>(description & conversion factor)</i>	-	-	-	-	-
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-
14.16	Options <i>(description & conversion factor)</i>					
14.17	Balance at start of period	9,873,660	-	-	-	-
14.18	Issued during period	5,352,778	-	-	-	-
14.19	Exercised during period	(7,950,000)	-	-	-	-
14.20	Expired during period	(748,660)	-	-	-	-
14.21	Decrease through capital reorganisation	(4,895,833)				
14.22	Balance at end of period	1,631,944	-	-	-	-
14.23	Debentures <i>(description)</i>	-	-	-	-	-
14.24	Balance at start of period	-	-	-	-	-

	Current period – A\$'000	Previous corresponding period – A\$'000
Reserves		
14.39 Balance at start of period	-	-
14.40 Transfers to/from reserves	-	-
14.41 Total for the period	-	-
14.42 Balance at end of period	-	-
14.43 Total reserves	-	-
Retained earnings		
14.44 Balance at start of period	924	533
14.45 Changes in accounting policy	-	-
14.46 Restated balance	-	-
14.47 Profit for the balance	(1,581)	427
14.48 Total for the period	-	-
14.49 Dividends	(24)	(36)
14.50 Balance at end of period	(681)	924

Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity

n/a

Reporting entities percentage holding

n/a

		Current period - \$A'000	Previous corresponding period - \$A'000
15.1	Profit (loss) before income tax	-	-
15.2	Income tax	-	-
15.3	Profit (loss) after tax	-	-
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	Share of net profit (loss) of associates and joint venture entities	-	-

Control gained over entities having material effect

(See note 8)

16.1 Name of *issuer* (or *group*)

Corpnet Australia Pty Ltd – deemed acquisition (for accounting purposes) of e-Business Systems Ltd in reverse business combination

16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since the date in the current period on which control was acquired

\$A'000

\$(1,581)

16.3 Date from which profit (loss) in *item 16.2* has been calculated

11 November 2008

16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the previous corresponding period

\$427

Loss of control of entities having material effect

(See note 8)

17.1 Name of *issuer* (or *group*)

n/a

17.2 Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control

\$A'000

-

17.3 Date from which the profit (loss) in *item 17.2* has been calculated

-

17.4 Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period

-

17.5 Contribution to consolidated profit (loss) from sale of interest leading to loss of control

-

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 or date of disposal		Contribution to profit (loss) (item 1.9)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
		-	-	Equity accounted	
		-	-	-	-
18.2	Total	-	-	-	-
18.3	Other material interests	-	-	Non equity accounted (i.e. part of item 1.9)	
				-	-
18.4	Total	-	-	-	-

NTA Backing

(see note 7)

20.1

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.03	2,303.29

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.

21.1

During the period the company acquired the whole of the issued share capital of Corpnet (Australia) Pty Ltd in a merger transaction which, for accounting purposes, is treated as a reverse take-over – ie the acquisition of e-Business Systems Ltd by Corpnet (Australia) Pty Ltd.

International Financial Reporting Standards

Under paragraph 39 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1

n/a

Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2

n/a

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but 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 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

n/a

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

Nil

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

There is an available franking account balance of \$496,146. No prediction is made as to dividend prospects.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

Nil

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

n/a

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year *(as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

Nil

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

The directors have resolved to write off the intangible asset previously shown at a carrying value of \$1,134 837 (cost) in respect of the distribution rights for the SafeWorlds e-commerce platform.

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

Nil

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

During the period the company acquired the whole of the issued share capital of Corpnet (Australia) Pty Ltd in a merger transaction which, for accounting purposes, is treated as a reverse take-over – ie the acquisition of e-Business Systems Ltd by Corpnet (Australia) Pty Ltd. The merger was completed on 11 November 2008.

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

During the period the company acquired the whole of the issued share capital of Corpnet (Australia) Pty Ltd in a merger transaction which, for accounting purposes, is treated as a reverse take-over – ie the acquisition of e-Business Systems Ltd by Corpnet (Australia) Pty Ltd. The merger was completed on 11 November 2008. Refer also to changes in contingent liabilities or assets above.

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

During the period the company acquired the whole of the issued share capital of Corpnet (Australia) Pty Ltd in a merger transaction which, for accounting purposes, is treated as a reverse take-over – ie the acquisition of e-Business Systems Ltd by Corpnet (Australia) Pty Ltd. The merger was completed on 11 November 2008.

Annual meeting *(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Details will be announced in due course following completion of the audit currently in train. Notice of AGM will be despatched to shareholders along with audited financial statements – this is expected to be in the second half of October. It is expected that the AGM will be held in Brisbane in the second half of November.

Compliance statement

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

Identify other standards used

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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not* (*delete one*) 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.

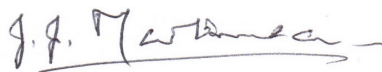
The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached as set out in the box below. (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

The financial statements are currently being audited. The auditors have therefore not yet completed their work so that no audit report is yet available. It will be made available along with the financial statements following completion of the audit.

6. The *issuer* does not have a formally constituted audit committee.

Sign here:



Date: 11 September 2009

(Company secretary)

Print name: Jeremy Martineau