



ECONOMICS GROUP LIMITED

ACN 139 974 851

Annual Report

For the year ended 30 June 2010

ECONOMICS GROUP LIMITED

ACN 139 974 851

For the year ended 30 June 2010

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2010.

Directors

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

Michael Richard Farley - Chairman & Managing Director (appointed 13/10/09)

John Flower Diddams - Finance Director (appointed 13/10/09)

Richard Dirk Alexander Broug - Non Executive Director (appointed 13/10/09)

Graeme Peter Maher - Non Executive Director (appointed 13/10/09, resigned 15/9/10)

Kylea Jane Tink - Non Executive Director (appointed 10/2/10)

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

Chief Executive Officer

Position Vacant (Michael Farley, Chairman & Managing Director is acting CEO).

Company Secretary

John F. Diddams - B.Com, FCPA, FAICD

Principal Activities

The Company was formed on 13 October 2009, with the express purpose of becoming the parent holding company for Out of Home Media Pty Ltd, following a selective share cancellation under Section 260 of the Corporations Act and EcoNomics Group issued shares to the original OOHM shareholders, in proportion to their original shareholding in OOHM. As a result, OOHM became a wholly owned subsidiary of EcoNomics Group. During the period EcoNomics Group formed two additional wholly owned subsidiary companies, The Sustainability Card Pty Limited and Green For Retail Pty Limited.

The principal activity of the Consolidated Group is to develop alliances of like minded, complimentary, yet non competitive, market leading businesses that are environmentally responsible suppliers and service providers to the retail industry.

Other than as stated above, there were no significant changes in the nature of the Consolidated Group's principal activities during the financial year.

Operating Results and Review of Operations for the Year

Operating Results

Revenue for the year ended June 2010 was \$48,464.

Operating loss was (\$1,917,505).

The consolidated loss of the Consolidated Group after providing for income tax and eliminating minority equity interests amounted to (\$1,917,505).

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DIRECTORS' REPORT

Review of Operations

During the period, the Company operated with one permanent, full time employee and utilised contractors to execute the business plan, as set out in an Information Memorandum (IM) dated 9th November 2009.

A total of \$1,092,505 of share capital was raised during the period and at balance date there were 25.6 million ordinary shares on issue. There are no share options on issue.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the parent entity occurred during the financial year.

Post Balance Date Events

No significant events occurred subsequent to the end of the financial year, other than:

- The Company raised \$156,000 in additional capital
- The Consulting Contracts with Key Management Personnel were renegotiated such that from 1 July 2010 only 50% of agreed fees will be paid in cash and the balance will no longer accrue as a liability payable on IPO. See note 5 for details.

Environmental Issues

The consolidated group's operations are not subject to significant environmental regulations under the laws of the Commonwealth and State. Details of the consolidated group's performance in relation to environmental regulations follow.

National Greenhouse and Energy Reporting Guidelines

The Group is not subject to the conditions imposed by the registration and reporting requirements of the *National Greenhouse Gas and Energy Reporting Act 2007* (the Act), and is not registered with the Greenhouse and Energy Data Office.

The Group has not exceeded the corporate threshold and is therefore not required to report on total greenhouse gas emissions or energy consumption/production of the Group.

Energy Efficiency Opportunities Guidelines

The Group is not subject to the conditions imposed by the registration and reporting requirements of the *Energy Efficiency Opportunities Act 2006* in the current financial year as its energy consumption was below the registration threshold.

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Michael Richard Farley	-	Chairman of Board of Directors & Managing Director
Qualifications	-	nil
Experience	-	Mike is a proven business builder with over 40 years experience in Australia, NZ and the USA in all areas of competitive market development including sales and marketing, operations and strategic planning. Mike has the benefit of understanding retail from the retailer's point of view, the brand and customer. In the past 15 years he has had extensive retail experience as a supplier of FMCG and as a supplier of retail merchandising solutions. Mike was Group Managing Director of SPOS (formerly Sydney Point of Sale) in Australia and POSC (Point of Sale Centre) in NZ responsible for mergers and acquisitions and new business development of the group. Mike was Director POPAI Australia & NZ since 2004. Director & Chairman POPAI Australia & NZ 2005 – 2007. Director & Founding Chairman of POPAI Australia & NZ Sustainability Committee since 2007. Retired from the POPAI Board in 2009 and made a life member in 2007.
Interest in Shares and Options	-	14,450,085 ordinary shares
Appointed date	-	13/10/2009
John Flower Diddams	-	Finance Director & Company Secretary
Qualifications	-	B Com, FCPA, FAICD
Experience	-	John has over 30 years financial & business experience, having acted in a variety of roles including Director, CEO, CFO and Company Secretary, of both private and public listed companies, in Australia and UK. For the past 10 years, John has managed his own CPA Corporate Advisory firm and acts as director and/or Company Secretary for a variety of private and public company clients.
Interest in Shares and Options	-	2,040,012 ordinary shares
Appointment date	-	13/10/2009
Richard Dirk Alexander-Broug	-	Non Executive Director
Qualifications	-	Columbia Senior Executive Program
Experience	-	Richard is a seasoned retailer having held senior executive roles for over 20 years with Woolworths in both the Supermarkets and Big W divisions, and then Coles Myer working in a broad cross section of businesses from Kmart, Coles Supermarkets, Target to the Coles Liquor Business. Of more recent times he has worked with Private Equity as a Director of Merchandise and Marketing for Australian Discount Retail Trading. Early in 2009 he became an Acquisitions Advisor to Jan Cameron (Founder of Kathmandu) and successfully helped to secure the purchase of ADRT (approx \$100m), and the subsequent formation of a new company, Retail Adventures Pty Ltd, completed in record time.
Interest in Shares and Options	-	510,003 ordinary shares
Appointment date	-	13/10/2009

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Kylea Jane Tink

Non Executive Director

Qualifications	-	BA (Comms)
Experience		Kylea Tink was appointed as a Director of the Company on 10 February 2010. Under the Company's constitution, a Director appointed before the first general meeting is required to retire at the AGM, but may seek re-election by Shareholders. Having worked in the areas of advocacy, communications, public relations and marketing for just on 20 years, Kylea provides a wealth of experience across a broad range of issues. As the current Chief Executive Officer at the Australian charity – the McGrath Foundation - she is well versed in corporate governance and board and other general business operations. She holds a BA (Comms) from the University of Canberra and is also a current Member of Planet Ark and a past Founding Member of MOSS (Models of Success and Sustainability).
Interest in shares and options		200,000 ordinary shares
Appointment date		10/2/2010

Company Secretary

The following person held the position of company secretary at the end of the financial year:

John F Diddams, B Com, FCPA, FAICD, Company Secretary. John has provided contract Company Secretarial services to the Economics Group since his appointment on 13 October 2010

Meetings of Directors

During the financial year, meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Committee Meetings					
	Number eligible to attend	Number attended	Audit Committee		Risk Committee		Nomination & Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mike Farley	8	8	2	2	-	-	3	3
John Diddams	8	8	2	2	-	-	-	-
Richard Broug	8	8	-	-	2	2	-	-
Graham Maher	8	8	-	-	-	-	3	3
Kylea Tink	3	2	-	-	2	2	-	-

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DIRECTORS' REPORT

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

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 7 of this report.

Signed in accordance with a resolution of the Board of Directors



John F Diddams

Director

Dated 23rd November 2010

RSM Bird Cameron Partners

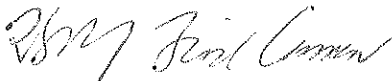
Chartered Accountants

RSM Bird Cameron Partners
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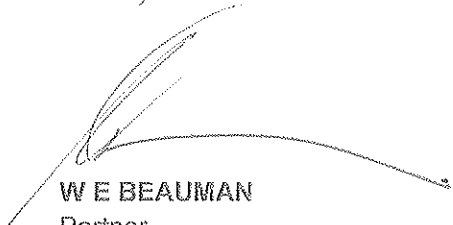
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Economics Group Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM BIRD CAMERON PARTNERS
Chartered Accountants



W E BEAUMAN
Partner

Sydney NSW

Dated: 23 November 2010

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For the year ended 30 June 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

		2010	2010
	Note	Consolidated	Parent
		\$	\$
Revenue	2	3,595	-
Cost of sales		985	-
Gross profit		<u>2,610</u>	-
Other revenue	2	10,727	10,727
Other income	2	34,142	-
Occupancy expenses		(10,412)	-
Administration expenses	3	(1,464,717)	(202,499)
Finance costs		(530)	-
Impairment		-	(538,468)
Goodwill written off		(489,325)	
Other expenses		-	(9,615)
Profit/(Loss) before income tax		<u>(1,917,505)</u>	(739,855)
Income tax expense	4	-	-
Profit/(Loss) for the year		<u>(1,917,505)</u>	(739,855)
Other comprehensive income:		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(1,917,505)</u>	(739,855)
Profit/(Loss) attributable to members of the entity		<u>(1,917,505)</u>	(739,855)
Total comprehensive income attributable to members of the entity		<u>(1,917,505)</u>	(739,855)

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

		2010	2010
	Note	Consolidated	Parent
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	363,542	347,565
Trade and other receivables	8	15,339	4,983
TOTAL CURRENT ASSETS		<u>378,881</u>	352,548
NON-CURRENT ASSETS			
Financial assets	11	-	102
Property, plant and equipment	12	2,616	-
TOTAL NON-CURRENT ASSETS		<u>2,616</u>	102
TOTAL ASSETS		<u>381,497</u>	352,650
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,206,497	-
TOTAL CURRENT LIABILITIES		<u>1,206,497</u>	-
NON-CURRENT LIABILITIES			
Borrowings		-	-
Long-term provisions		-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	-
TOTAL LIABILITIES		<u>1,206,497</u>	-
NET ASSETS		<u>(825,000)</u>	352,650
EQUITY			
Issued capital	14	1,092,505	1,092,505
Reserves		-	-
Retained earnings		(1,917,505)	(739,855)
TOTAL EQUITY		<u>(825,000)</u>	352,650

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2010

Consolidated	Note	Issued Capital Ordinary	Retained Earnings	Total
Balance at 30 June 2009		-	-	-
Issue of shares Profit/Loss attributable to members of the entity		1,092,505	-	1,092,505
Total other comprehensive income for the year		-	(1,917,505)	(1,917,505)
Balance at 30 June 2010		<u>1,092,505</u>	<u>(1,917,505)</u>	<u>825,000</u>

Parent Company	Note	Issued Capital Ordinary	Retained Earnings	Total
Balance at 30 June 2009		-	-	-
Issue of shares Profit/Loss attributable to members of the entity		1,092,505	-	1,092,505
Total other comprehensive income for the year		-	(739,855)	(739,855)
Balance at 30 June 2010		<u>1,092,505</u>	<u>(739,855)</u>	<u>(352,650)</u>

The accompanying notes form part of these financial statements.

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For the year ended 30 June 2010

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

		2010	2010
	Note	Consolidated	Parent
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		30,136	-
Payments to suppliers and employees		(559,197)	(9,614)
Interest received		5,744	5,744
Finance costs		(530)	-
Income tax paid		-	-
Net cash provided by operating activities	16	<u>(523,847)</u>	<u>(3,870)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,616)	-
Loans to related parties		-	(538,468)
Purchases of Investments		-	(102)
Net cash used in investing activities		<u>(2,616)</u>	<u>(538,570)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of share issue		890,005	890,005
Net cash used in financing activities		<u>890,005</u>	<u>890,005</u>
Net increase in cash held		363,542	347,565
Cash at beginning of financial year		-	-
Cash at end of financial year	7	<u><u>363,542</u></u>	<u><u>347,565</u></u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statement has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company and consolidated entity incurred losses of \$(739,855) and \$(1,917,505) respectively and had net cash outflows from operating activities of \$(3,870) and \$(523,847) respectively for the year ended 30 June 2010. As at that date the company had net current assets of \$352,548 and net assets of \$352,650, whilst the consolidated entity had net current liabilities of \$(827,616) and net liabilities of \$(825,000).

These factors indicate significant uncertainty as to whether the company and consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe there are reasonable grounds to believe that the company and consolidated entity will be able to continue as going concerns, after consideration of the following factors:

- *The consolidated entity's current liabilities include deferred costs of \$1,190,850 relating to management fees only payable to consultants on the successful completion of an IPO;*
- *The parent company is currently pursuing a number of capital raising options including an Information Memorandum and an IPO;*
- *The parent company has raised an additional \$156,000 of share capital subsequent to year end; and*
- *The consolidated entity is in the process of implementing a "synergy program" with the potential acquisition of businesses, which is expected to generate net revenue for the group.*

Accordingly, the Directors believe that the company and consolidated entity will be able to continue as going concerns, and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity do not continue as going concerns.

b. Income Tax

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

c. **Property, Plant and Equipment**

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

d. Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

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

e Intangibles

Goodwill

Goodwill is calculated as the excess of the sum of (i) the consideration transferred; (ii) any non-controlling interest; and (iii) the acquisition date fair value of any previously held equity interest, over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the company holds a less than 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The company can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The company determines which method to adopt for each acquisition.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Under the full goodwill method, the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where the investment had been equity accounted, any credit reserve balances are recycled to the statement of comprehensive income.

In determining the net identifiable assets acquired, contingent liabilities of the acquiree are included to the extent to which they represent a present obligation and can be measured reliably.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

f. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g. Cash and Cash Equivalents

Cash and cash equivalents includes 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 are shown within borrowings in current liabilities on the statement of financial position.

h. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

i. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

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For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. Comparative Figures

No comparative figures have been included as the consolidated group commenced during the current year.

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

m. Critical Accounting Estimates and Judgments

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

Key estimates

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers.

Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

n. Adoption of New and Revised Accounting Standards

During the current year, the company has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Economics Group Limited.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

ECONOMICS GROUP LIMITED

ACN 139 974 851

For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement — the statement of comprehensive income, or two statements — a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

ECONOMICS GROUP LIMITED

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For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 Consolidated \$	2010 Parent \$
NOTE 2: REVENUE AND OTHER INCOME			
Revenue			
Sales revenue:			
—		3,595	-
Other revenue:			
—		10,727	10,727
Total revenue		14,322	10,727
Other income			
—		14,543	-
—		19,599	-
Total other income		34,142	-
a. Interest revenue from:			
—		10,727	10,727
NOTE 3: PROFIT/(LOSS) FOR THE YEAR			
Profit/(Loss) is after charging:			
b. Expenses			
Cost of sales		985	-
Interest expense on financial liabilities not at fair value through profit or loss:			
—		530	-
Total interest expense		530	-
Rental expense on operating leases:			
—		10,412	-
Administration Expenses:			
Professional Fees		191,823	-
Consulting Fees Paid		289,080	-
Legal Expenses		39,787	-
Travel Expenses		53,660	-
Management Fees		838,350	202,499
Other		41,605	-
		1,464,717	202,499

ECONOMICS GROUP LIMITED

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For the year ended 30 June 2010

NOTE 4: INCOME TAX EXPENSE

	Note	2010	2010
		Consolidated	Parent
a.	The components of tax expense comprise:	\$	\$
	Current tax	-	-
	Deferred tax	-	-
	Recoupment of prior year tax losses	-	-
	Under/(over) provision in respect of prior years	-	-
		-	-
b.	The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
	Prima facie tax payable on profit before income tax at 30% (2009: 30%)	-	-
	Add:	-	-
	Tax effect of:	-	-
	— other non-allowable items	-	-
	— under provision for income tax in prior year	-	-
		-	-
	Less:	-	-
	Tax effect of:	-	-
	— rebatable fully franked dividends	-	-
	— non-taxable capital profit on sale of investments	-	-
	— recoupment of prior year tax losses not previously brought to account	-	-
		-	-
	Income tax attributable to entity	-	-
	The applicable weighted average effective tax rates are as follows:	30%	30%
	The increase in the weighted average effective tax rate for 2010 is a result of a significant reduction in the availability of prior year tax losses to reduce the current tax liability.	-	-

ECONOMICS GROUP LIMITED

ACN 139 974 851

For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION**

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2010	2010
	Consolidated	Parent
	\$	\$
Short-term employee benefits*		-
- Paid in cash	289,080	
- Accrued, Payable on IPO*	635,850	
Post-employment benefits	-	-
	924,930	-

*All key management personnel (except one employee in subsidiary Green for Retail Pty Ltd) are contracted through Consultancy Agreements and render a Tax Invoice (plus GST) for their services on a monthly basis. The basis of payment for the period from 1 July 2009 to 31 December 2009 was 100% deferred and from 1 January 2010 to the period end was 50% in cash and 50% deferred until a successful IPO, with 20% uplift as and when paid.

	Consultancy	Mgmt
	Fees Paid	Fees
		Deferred*
Fees paid and accrued during the period to KMP are as follows:		
Michael Farley	90,000	324,000
John Diddams	60,000	180,000
Richard Broug	45,625	56,250
William Gill	39,000	75,600
Other	54,455	-
	289,080	635,850

Other KMP transactions

For details of other transactions with KMP, refer to Note 17: Related Party Transactions.

For details of accrued liability to KMP, refer to Note 13: Trade and Other Payables.

NOTE 6: AUDITORS' REMUNERATION

	2010	2010
	Consolidated	Parent
Remuneration of the auditor:		
— auditing or reviewing the financial report	8,500	8,500
— taxation services		

ECONOMICS GROUP LIMITED

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For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**NOTE 7: CASH AND CASH EQUIVALENTS**

	2010	2010
	Consolidated	Parent
	\$	\$
Cash at bank and in hand	17,800	1,823
Short-term bank deposits	345,742	345,742
	<u>363,542</u>	<u>347,565</u>

The effective interest rate on short-term bank deposits was 3.25% (2009: n/a %); these deposits are at call.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	17,800	1,823
Short-term bank deposits	345,742	345,742
	<u>363,542</u>	<u>347,565</u>

NOTE 8: TRADE AND OTHER RECEIVABLES**CURRENT**

Trade receivables	2,475	-
Provision for impairment	-	-
	<u>2,475</u>	<u>-</u>
Other receivables	12,864	4,983
Loans to directors	-	-
Other related parties (intercompany loans)	-	538,468
Provision for impairment	-	(538,468)
Total current trade and other receivables	<u>15,339</u>	<u>4,983</u>

NOTE 9: TRADE AND OTHER RECEIVABLES**Credit risk**

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

ECONOMICS GROUP LIMITED

ACN 139 974 851

For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**NOTE 9: TRADE AND OTHER RECEIVABLES**

	Gross Amount \$	Past Due and Impaired \$	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
2010							
Trade and term receivables	2,475	-	-	-	-	-	2,495
Other receivables	12,864	-	-	-	-	-	12,864
Total	15,339	-	-	-	-	-	15,339

	2010 Consolidated \$	2010 Parent \$
--	----------------------------	----------------------

Financial assets classified as loans and receivables

Trade and other receivables:

— total current

2,475 -

Financial assets

2,475 -

NOTE 10: OTHER ASSETS**CURRENT**

Prepayments

4,801 -

Deposits

3,080 -

Withholding Tax

4,983 4,983

12,864 4,983

NOTE 11: FINANCIAL ASSETS**NON-CURRENT**

Other investments

— shares in subsidiaries

- 102

- 102

ECONOMICS GROUP LIMITED

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For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**NOTE 12: PROPERTY, PLANT AND EQUIPMENT**

	2010	2010
	Consolidated	Parent
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	2,616	-
Accumulated depreciation	-	-
	<u>2,616</u>	<u>-</u>
Total plant and equipment	<u>2,616</u>	<u>-</u>

NOTE 13 TRADE AND OTHER PAYABLES**CURRENT**

Unsecured liabilities:

Trade payables	22,507	-
Sundry payables (incl net GST)	(8,889)	-
Accrued Management Fees*	1,190,850	-
Employee benefits	2,029	-
Amounts payable to:	-	-
— ultimate parent entity	-	-
— other related parties	-	-
	<u>1,206,497</u>	<u>-</u>

*All key management personnel (except one employee in subsidiary Green for Retail Pty Ltd) are contracted through Consultancy Agreements and render a Tax Invoice (plus GST) for their services on a monthly basis. The basis of payment for the period from 1 July 2009 to 31 December 2009 was 100% deferred and from 1 January 2010 to the period end was 50% in cash and 50% deferred until a successful IPO, with 20% uplift as and when paid.

The liability for accrued management fees for the period prior to incorporation and from that date to the period end, for which payment is conditional upon IPO, is included in accrued expenses in respect of:

Michael Farley	774,000
John Diddams	280,000
Richard Broug	56,250
William Gill	80,600
	<u>1,190,850</u>

ECONOMICS GROUP LIMITED

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For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**NOTE 14: ISSUED CAPITAL**

	2010	2010
	Consolidated	Parent
25,620,123 (2009: nil) fully paid ordinary shares	1,092,505	1,092,505

a. Ordinary shares

	No.	No.
At the beginning of the reporting period	-	-
At the end of the reporting period	<u>25,620,123</u>	<u>25,620,123</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders 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.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

No significant events occurred subsequent to the end of the financial year, other than:

- The Company raised \$156,000 in additional capital
- The Consulting Contracts with Key Management Personnel were renegotiated such that from 1 July 2010 only 50% of agreed fees will be paid in cash and the balance will no longer accrue as a liability payable on IPO.

NOTE 16: CASH FLOW INFORMATION**a. Reconciliation of cash flow from operations with profit after income tax**

Profit after income tax	(1,917,505)	(739,855)
Non-cash flows in profit:		
— depreciation	-	-
— Impairment	-	538,469
— Share based payment	202,499	202,499
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
— (Increase)/decrease in trade and other receivables	(15,339)	(4,983)
— increase/(decrease) in trade and other payables	1,206,498	-
	(523,847)	(3,870)

ECONOMICS GROUP LIMITED

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For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 17: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated:

Transactions with related parties:

i) Intercompany loans.

At the year end 30 June 2010, the details for intercompany loans are as follows:

ECONomics Group Limited holds loans to:

- Out of Home Media Pty Ltd 538,468

Out of Home Media Pty Ltd holds loan to:

Green for Retail Pty Ltd 37,000

The Sustainability Card Pty Ltd 199,820

ii) Transaction with Directors are set out in notes 5 and 13 of the financial statements.

NOTE 18: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 Consolidated \$	2010 Parent \$
Financial assets			
Cash and cash equivalents	7	363,542	347,542
Loans and receivables	8	15,339	4,983
Total financial assets		378,881	352,525
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	13	22,507	-
Total financial liabilities		22,507	-

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 June 2010.

ECONOMICS GROUP LIMITED

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For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the company, credit terms are generally 14 to 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise cleared as being financially sound. Where the company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The company has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables is provided in Note 9.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 9.

Credit risk related to balances with banks and other financial institutions is managed by the risk committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

b. Market risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

ECONOMICS GROUP LIMITED

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For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	Profit	Equity
Year ended 30 June 2010	\$	\$
+/- 2% in interest rates	6,000	6,000

Net Fair Values**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost (ie trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

		Consolidated		Parent	
		2010		2010	
		Net	Net	Net	Net
		Carrying	Fair	Carrying	Fair
		Value	Value	Value	Value
	Footnote	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	363,542	363,542	347,565	347,565
Trade and other receivables	(i)	15,339	15,339	-	-
Loans and advances — related parties	(ii)	-	-	4,983	4,983
		<u>378,881</u>	<u>378,881</u>	<u>352,548</u>	<u>352,548</u>
Total financial assets		<u>378,881</u>	<u>378,881</u>	<u>352,548</u>	<u>352,548</u>
Financial liabilities					
Trade and other payables	(iii)	1,206,497	1,206,497	-	-
Total financial liabilities		<u>1,206,497</u>	<u>1,206,497</u>	<u>-</u>	<u>-</u>

ECONOMICS GROUP LIMITED

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For the year ended 30 June 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts relating to the provision of annual leave, which is not considered a financial instrument.
- (ii) Intercompany loans have been used to develop and execute the business model and may be uncollectable.
- (iii) Deferred Fees of \$1,190,850 included in Financial Liabilities are only payable on successful IPO.

NOTE 19: SHARE BASED PAYMENTS

The company has granted equity instruments (809,998 shares) for the payment of services rendered (\$202,499). These shares have been fair valued at .25cents each which represents the price paid by ordinary investors in the normal course of capital raisings by the company.

NOTE 20: COMPANY DETAILS

The registered office of the company is:

Level 6, 8 Help Street, Chatswood NSW 2067

The principal places of business is:

Level 6, 8 Help Street, Chatswood NSW 2067

NOTE 21: SUBSIDIARY COMPANY DETAILS

Subsidiary companies of ECONomics Group Limited are:

Out of Home Media Pty Limited (ACN: 125 631 469) 100%

The Sustainability Card Pty Limited (ACN: 140 001 083) 100%

Green For Retail Pty Limited (ACN: 138 046 947) 100%

ECONOMICS GROUP LIMITED

ACN 139 974 851

For the year ended 30 June 2010

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 10 to 30 present fairly the company's financial position as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
2. 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

A handwritten signature in black ink, appearing to read 'John F Diddams', with a stylized, cursive script.

John F Diddams

Dated this 23th day of November 2010

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ECONOMICS GROUP LIMITED**

We have audited the accompanying financial report of Economics group Limited ("the company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, 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 control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

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

RSM Bird Cameron Partners

Chartered Accountants

Auditor's Opinion

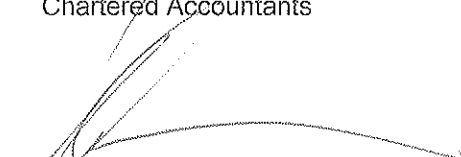
In our opinion:

- (a) the financial report of Economics Group 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 2010 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 –

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1a in the financial report which indicates that the company and consolidated entity incurred net losses of \$739,855 and \$1,917,505 respectively for the year ended 30 June 2010 and, as of that date, the company had net assets of \$352,650 and the consolidated entity's current liabilities exceeded its current assets by \$827,616. These conditions, along with other matters as set forth in Note 1a indicate the existence of a material uncertainty which may cast significant doubt about the company and consolidated entity's ability to continue as going concerns and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.


RSM BIRD CAMERON PARTNERS
Chartered Accountants


W E Beaman
Partner
Sydney NSW

Dated: 23 November 2010

CORPORATE DIRECTORY

Directors

Michael Richard Farley
John Flower Diddams
Richard Dirk Alexander Broug
Kylea Jane Tink

Company Secretary

John Flower Diddams

Registered Office and Principal Place of Operations

Level 6, 8 Help Street
Chatswood NSW 2067

Financial Advisors

WHK Horwath Corporate Finance Limited
Level 15, 309 Kent Street
Sydney NSW 2000.
(AFSL No. 239170)

Auditors

RSM Bird Cameron Partners
Level 12 60 Castlereagh Street
Sydney NSW 2000.

Legal Advisors

Truman Hoyle
Level 11, 68 Pitt Street
Sydney NSW 2000

Share Registry

Registries Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Patent & Trade Mark Attorneys

Pappas IP
Level 4, 261 George Street
Sydney NSW 2000

Bankers

Westpac Banking Group
Westpac Plaza, 275 Kent Street
Sydney NSW 2000

Web Addresses

www.economicsgroup.com.au
www.outofhomemedia.com.au
www.thesustainabilitycard.com.au
www.greenforretail.com.au