APPENDIX 4E

PRELIMINARY FINAL REPORT

Name of entity

Global Approach Limited

ABN or equivalent company reference	Financial year ended ('current period')	Previous corresponding period
009 118 861	**30 June 2005**	**30 June 2004**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenues from ordinary activities	up	359%	to	$3,425,995
Net loss from ordinary activities after tax attributable to members	down	84%	to	$(94,086)
Net loss for the period attributable to members	down	84%	to	$(94,086)

NTA backing	Current period	Previous corresponding Period
Net tangible asset/liabilities per ordinary security	($0.002)	$0.009

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

2 This report and the accounts upon which the report is based use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 No final dividend has been declared for the current year and no dividend was declared or paid for the previous year.

5 The report is based on accounts which are in the process of being audited and which will be subject to a qualification in regard to prior year comparatives only.

6 On the 24th February 2005 the company entered into an agreement with Firebrand Interactive Limited whereby the entity underwrote the last six (6) million options with the gross proceeds immediately paid to the company. This amount has been treated as a liability as of 30th June 2005 and will be replaced with an equivalent amount of equity when the options expire on 31st January 2006. This leaves approximately four (4) million options still to be converted by the expiry date which would add an additional $400,000 to the company's working capital if they are all converted.

7 Results for the period

The results for the year ended 30 June 2005 reflect the company's on-line gaming activities. The consolidated entity's activities are based on a full twelve months of its gaming operation for MusicHall on-line casino (www.musichallcasino.com) and six months of its second on-line casino namely UK Casino Club (www.ukcasino.com) as well as activities from its on-line Poker Room Beach Club Poker (www.beachclubpoker.com) which commenced operation in January 2005. The comparative figures for the previous year includes six months of the operations of the EVENTS software business which was demerged from the company in December 2004.

In view of the relatively new on-line casino operations and the acquisition of 100% of UK Casino Club the board took the decision that it would continue to focus on growing player numbers during the 2005 financial year spending additional funds on this marketing strategy. This has resulted in the customer database growing substantially with the group now having 43,000 registered players in the two casinos as at the 31st August 2005 compared with 28,600 in November 2004.

Sign here: .... Date: 8th September 2005

(Director)

Print name: David K Barwick

GLOBAL APPROACH LIMITED
ACN 009 118 861

APPENDIX 4E FINANCIAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2005

GLOBAL APPRACH LIMITED
ACN 009 118 861

APPENDIX 4E FINANCIAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2005

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GLOBAL APPROACH LIMITED
ACN 009 118 861

COMPANY PARTICULARS

Board of Directors

Mr David K. Barwick - Executive Chairman
Mr Mike Veverka - Non executive Director
Mr Ian Mackay - Non executive Director
Mr Bill Lyne - Non executive Director

Company Secretary

Mr Bill Lyne

Bankers

National Australia Bank Limited

Auditors

PKF Chartered Accountants
Level 10, 1 Margaret Street
Sydney NSW 2000

Registered Office

Level 12, 240 Queen Street
Brisbane Qld 4000

Share Registry

Computershare Investor Services Pty Ltd
Central Plaza 1, Level 27
345 Queen Street
Brisbane Qld 4000

Principal office

Level 12, 240 Queen Street
Brisbane Qld 4000

GPO Box 996 Brisbane Qld 4001

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GLOBAL APPROACH LIMITED
ACN 009 118 861

STATEMENTS OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

	Note	Consolidated		Parent Entity	
		2005	2004	2005	2004
		$	$	$	$
Revenues from ordinary activities	5	3,425,995	746,457	100,906	97,526
Total revenue	5	3,425,995	746,457	100,906	97,526
Professional and directors fees		285,639	273,275	285,639	273,275
Borrowing costs	6	1,378	1,526	1,288	1,329
Occupancy costs		1,500	18,131	1,500	18,131
Carrying amount of investments sold	6	-	6,545	-	-
Insurance costs		-	17,596	-	17,596
Shareholder and share registry costs		42,469	61,141	42,469	61,141
Consultant fees		15,248	25,092	15,248	25,092
Other expenses from ordinary activities		32,260	20,604	58,381	33,793
Correction of fundamental error	2	(32,818)	-	-	-
Casino Operating Expenses		3,099,822	949,363	-	-
Amortisation of intangible assets	6	74,583	43,529	-	-
Share of net (profit)/losses of associates and joint ventures accounted for using the equity method	25	-	(68,876)	-	-
Profit/(loss) from ordinary activities before related income tax expense		(94,086)	(601,469)	(303,619)	(332,831)
Income tax (expense)/benefit relating to ordinary activities	7(a)	-	-	-	-
Net profit/(loss) after related income tax expense	18	**(94,086)**	**(601,469)**	**(303,619)**	**(332,831)**
Non-owner transaction changes in equity					
Total changes in equity from non-owner related transactions attributable to the members of the parent entity		**(94,086)**	**(601,469)**	**(303,619)**	**(332,831)**
Basic earnings/(loss) per share	9	(0.2) cents	(1.9) cents		
Diluted earnings/(loss) per share	9	(0.2) cents	(1.9) cents		

The Statements of Financial Performance are to be read in conjunction with the attached notes.

GLOBAL APPROACH LIMITED
ACN 009 118 861

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2005

	Note	Consolidated		Parent Entity	
		2005	2004	2005	2004
		$	$	$	$
Current assets					
Cash assets		186,908	262,836	182,974	284,258
Receivables	10	630,396	59,248	31,132	-
Other financial assets	11	-	110,724	-	-
Total current assets		817,304	432,808	214,106	284,258
Non-current assets					
Receivables	10	65,464	-	238,133	163,043
Other financial assets	11	-	337,418	2,414,472	1,495,662
Intangible assets	12	2,372,463	1,044,688	-	-
Total non-current assets		2,437,927	1,382,106	2,652,605	1,658,705
Total Assets		3,255,231	1,814,914	2,866,711	1,942,963
Current liabilities					
Payables	13	396,258	317,292	89,222	317,292
Provisions	14	7,470	7,470	7,470	7,470
Other	15	600,000	-	600,000	-
Total current liabilities		1,003,728	324,762	696,692	324,762
Total Liabilities		1,003,728	324,762	696,692	324,762
Net Assets		2,251,503	1,490,152	2,170,019	1,618,201
Equity					
Contributed equity	16	10,829,936	9,881,602	10,829,936	9,881,602
Reserves	17	100,950	205,169	100,950	193,847
Accumulated losses	18	(8,679,383)	(8,596,619)	(8,760,867)	(8,457,248)
Total Equity		2,251,503	1,490,152	2,170,019	1,618,201

The Statements of Financial Position are to be read in conjunction with the attached notes.

GLOBAL APPROACH LIMITED
ACN 009 118 861

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2005

	Note	Consolidated		Parent Entity	
		2005	2004	2005	2004
		$	$	$	$
Cash flows from operating activities					
Receipts from customers & players		2,987,874	733,695	-	93,600
Payments to suppliers, employees & players		(3,371,535)	(1,367,197)	(349,252)	(415,501)
Borrowing costs paid including interest and other costs of finance paid		(1,378)	(1,526)	(1,288)	(1,329)
Interest received		21,248	27,705	7,174	3,926
Net cash used in operating activities	19(b)	(363,691)	(607,323)	(343,366)	(319,304)
Cash flow from investing activities					
Payments for investments		-	(6,056)	-	(6,056)
Proceeds from redemption of equity investments/repayment of debt		64,180	85,362	-	-
Payment for controlled entities (net of cash acquired)		(924,854)	67,423	(924,865)	(12,001)
Proceeds of loan from/(to) associated entities		-	(139)	-	(139)
Proceeds of loan from/(to) controlled entities		-	-	18,510	(101,328)
Net cash provided by/(used in) investing activities		(860,674)	146,590	(906,355)	(119,524)
Cash flow from financing activities					
Proceeds from issue of shares, options and convertible notes		615,439	659,880	615,439	659,880
Transaction costs from issue of shares		(67,002)	(30,219)	(67,002)	(30,219)
Option underwriting proceeds received in advance		600,000	-	600,000	
Net cash provided by/(used in) financing activities		1,148,437	629,661	1,148,437	629,661
Net increase/(decrease) in cash held		(75,928)	168,928	(101,284)	190,833
Cash at the beginning of the financial year		262,836	93,908	284,258	93,425
Cash at the end of the financial year	19(a)	186,908	262,836	182,974	284,258

The Statements of Cash Flows are to be read in conjunction with the attached notes.

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been drawn up in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and Corporations Law.

a) Basis of preparation

The financial report has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

An operating cycle of 12 months has been used as the basis for identifying current assets and current liabilities in the Statement of Financial Position.

b) Going concern

The financial statements have been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 June 2005, the consolidated entity has net tangible liabilities of $120,960 (2004 net tangible assets of $445,464), incurred an operating loss of $94,086 for the year ended 30 June 2005 (2004 a loss of $601,469) and cash outflow from operations for the year ended 30 June 2005 amounted to $363,691 (2004 $607,323).

The directors have prepared cash flow projections that indicate that provided the casino operations meet their expectations, the consolidated entity will be able to meet all obligations as and when they become due and payable for a period of at least 12 months from the date of the directors' declaration. Accordingly, the directors are of the opinion that the going concern basis is appropriate for the preparation of these financial statements. On the 24th February 2005 the company entered into an agreement with Firebrand Interactive Limited whereby that entity underwrote the last 6 million of the 31st January 2006 options with the gross proceeds of $600,000 being immediately paid to the company. This amount has been treated as a liability as of 30 June 2005 and will be replaced with an equivalent amount of equity when the options expire on 31 January 2006. This leaves approximately four million options still to be converted by the expiry date which would add an additional $400,000 to the company's working capital. This amount has not been relied upon in cash flow projections.

If the company is unable to continue as a going concern, it may not realise its assets and settle its liabilities in the normal course of business, and at the amounts stated in the financial report.

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF ACCOUNTING POLICIES (cont)

c) Principles of Consolidation

The consolidated financial report combine the financial report of Global Approach Limited (the Parent Entity domiciled and incorporated in Australia) and all its controlled entities (refer Note 24).

The effects of all transactions between entities in the consolidated entity have been eliminated.

Controlled entities
The financial statements of controlled entities are included from the date control commences until the date control ceases.

Associates
Associates are those entities, other than partnerships, over which the consolidated entity exercises significant influence and which are not intended for sale in the near future.

In the consolidated financial statements investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of financial performance from the date the significant influence commences until the date significant influence ceases. Other movements in reserves are recognised directly in consolidated reserves.

Joint Ventures
A joint venture is either an entity or operation that is jointly controlled by the consolidated entity.

In the consolidated financial statements investments in joint venture entities, including partnerships, are accounted for using equity accounting principles. Investments in joint venture entities are carried at the lower of the equity accounted amount and recoverable amount.

The consolidated entity's share of the joint venture entity's net profit or loss is recognised in the consolidated statement of financial performance from the date joint control commences until the date joint control ceases. Other movements in reserves are recognised directly in consolidated reserves.

Unrealised gains and losses resulting from transactions with associates and joint ventures are eliminated to the extent of the consolidated entity's interest. Unrealised gains relating to associates and joint venture entities are eliminated against the carrying amount of the investment. Unrealised losses are eliminated in the same way as unrealised gains, unless they evidence recoverable amount impairment.

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF ACCOUNTING POLICIES (cont)

d) Revenue recognition

Gaming revenue
Revenue from gaming within the casino operations is recognised when the results of a game have been determined and when the amount of revenue can be reliably determined. However, revenue from the poker room is a percentage of every hand played.

Interest revenue
Interest income is recognised as it accrues.

Sale of non-current assets
The gross proceeds of asset sales are included as revenue of the consolidated entity at the date control of the asset passes to the buyer, usually when an unconditional contract is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

e) Taxation

Income tax has been brought to account using a method of tax effect accounting whereby income tax expense for the period is calculated on the accounting profit after adjusting for items which, as a result of their treatment under income tax legislation, create permanent differences between that profit and the taxable income. The tax effect of timing differences which arises from the recognition in the accounts of items of revenue and expenses in periods different from those in which they are assessable or allowable for income tax purposes, are represented in the balance sheet as "future income tax benefits" or "provision for deferred income tax", as the case may be at current tax rates. A future income tax benefit is only carried forward as an asset where realisation of the benefit can be regarded as being assured beyond reasonable doubt.

Global Approach Limited and its wholly owned subsidiaries are a tax consolidated group. The tax consolidated legislation has been applied to allow groups, comprising a parent entity and its wholly owned Australian resident entities, to consolidate and be treated as a single entity for Australian income tax purposes was substantially enacted on 21 October 2002. The legislation includes both mandatory requirements, which are applicable to all entities, and the tax consolidation systems provisions, which entities can elect to adopt. Global Approach Limited and its wholly owned Australian resident subsidiaries have formed a tax consolidated group. The head entity is Global Approach Limited.

f) Acquisition of assets

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value except where the notional price at which they could be placed in the market is a better indicator of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity up to the extent of proceeds received, otherwise expensed.

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF ACCOUNTING POLICIES (cont)

f) Acquisition of assets (Cont'd)

Expenditure is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

g) Recoverable Amounts

The carrying amounts of non-current assets are reviewed annually to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value, except where specifically stated.

h) Receivables

Trade and other debtors
Trade and other debtors are on "at call" terms and are carried at amounts due. The collection of debts is assessed at balance date and specific provision is made for any doubtful debts.

i) Investments

Controlled entities
Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount. Dividends and distribution are brought to account in the statement of financial performance when they are declared by the controlled entities.

Other entities
Shares in listed companies held for resale within 12 months are classified as current assets and are valued by the directors at the market value of those shares as stated on the relevant stock exchange at balance date. The gains or losses, whether realised or unrealised, are included in the operating profit before tax.

Investments in other listed and unlisted companies held as long-term investments and classified as non-current assets are carried at the lower of cost and recoverable amount

Dividends are brought to account when the Company's entitlement to the dividend is determined.

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF ACCOUNTING POLICIES (cont)

j) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company or consolidated entity. Trade accounts payable are normally settled within 30 days.

k) Unearned income

Income received or receivable at balance date that relates to goods and/or services to be provided after balance date, is recognised as unearned income in the statement of financial position.

l) Employee benefits

Wages, salaries and annual leave
Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax. There are no known present obligations to employees.

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

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

Superannuation plan
The Company and controlled entities contribute to a defined contribution superannuation plan. Contributions are charged against income as they are made.

During the year there was 1 employee other than directors (2004: nil)

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF ACCOUNTING POLICIES (cont)

m) Financial instruments issued

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

Where the financial instruments are redeemable at the option of the holder, redeemable at a fixed date or perpetual instruments with cumulative interest obligations, the proceeds received are classified as a liability and related distributions as interest expense.

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

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

n) Foreign currency

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

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

Translation of controlled foreign entities and integrated foreign operations
The assets and liabilities of overseas controlled entities, including associates and joint ventures, that are self-sustaining are translated at the rates of exchange ruling at balance date. Equity items are translated at historical rates. The statements of financial performance are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

Assets and liabilities of integrated foreign operations are translated using the temporal method, where all foreign exchange gains and losses are taken to the profit and loss account. Global Approach Operations Pty Ltd (MusicHall Casino) and UK Club Holdings Pty Ltd (UK Club Casino) are both foreign integrated operations.

The balance of the foreign currency translation reserve relating to a controlled entity that is disposed of is transferred to retained earnings in the year of disposal.

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF ACCOUNTING POLICIES (cont)

o) Intangibles

The gaming sub-licence has been brought to account at cost and is amortised over the expected licence period of 25 years. The directors review the carrying value for possible impairment on a regular basis. Refer to Note 2 for further details.

p) Adoption of Australian Equivalents to International Financial Reporting Standards

Australian equivalents to International Financial Reporting Standards (AEIFRS) will be adopted in the financial report for the year ending 30 June 2006 and the comparative information presented in that report for the year ending 30 June 2005. The majority of the AEIFRS adjustments will be made retrospectively against retained earnings at 1 July 2004.

The economic entity's management has assessed the significance of the expected changes and is preparing for their implementation. The impact of alternative treatments and elections under AASB 1 "First Time Adoption of Australian International Financial Reporting Standards" has been considered where applicable.

The directors are of the opinion that the key material differences in the economic entity's accounting policies on conversion to AIFRS and the financial effect of these differences where known are as follows. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by the standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from the continuing work of the economic entity's AIFRS committee.

Major changes identified to date that will be required to the Company's existing accounting policies include the following:

(i) Income tax

Under AASB112 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

On transition, the financial effect of this impact is assessed as nil.

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF ACCOUNTING POLICIES (cont)

p) Adoption of Australian Equivalents to International Financial Reporting Standards (Cont'd)

(ii) Intangible assets - Gaming sub-licenses

AASB 138 "Intangible Assets" requires Intangible assets acquired separately to be capitalized at cost and from a business combination to be capitalized at fair value as at date of acquisition. The entity's intangibles comprises of Gaming sub-licenses valued at the lower of cost or fair value.

In accordance with the AASB 138, all licences will be assessed as having either a finite or indefinite useful life.

All items that have been classified as being indefinite lived assets will be impairment tested annually in accordance with the standards. All items classified as finite lived assets will be amortised over the useful life of the asset.

Regardless of the useful life classification the directors must assess at the end of each reporting period the classification, subsequent method employed and rates used to ensure appropriateness.

Impairment testing as at 30 June 2005 confirmed no impairment of the $2,472,102 capitalised sub-licences less amortisation of $99,639 as disclosed in the economic entity's financial statements as at 30 June 2005.

The consolidated entity has assessed the finite lives of the sub-licences to be 25 years and will continue to amortise these assets on a straight-line basis over 25 years.

On transition, the financial effect of this impact is assessed as nil.

(iii) Financial instruments

Under AASB132 Financial Instruments: Disclosure and Presentation the current classification of financial instruments issued by entities in the Company will not change.

Under AASB139 Financial Instruments: Recognition and Measurement there may be impacts as a result of financial assets held by the Company being subject to classification as either held for trading, held-to-maturity, available for sale or loans and receivables and, depending upon classification, measured at fair value or amortised cost. The most likely accounting change is that investments in equity securities will be classified as available for sale and measured at fair value, with changes in fair value recognised directly in equity until the underlying asset is derecognised.

In addition, liabilities subject to an in-substance defeasance will not qualify for derecognition. Under the transitional provisions of AASB 1, liabilities derecognised under previous Australian generally accepted accounting principles are not allowed to be recognised unless recognition is required as a result of a transaction or event occurring after transition.

On transition, the financial effect of this impact is assessed as nil.

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF ACCOUNTING POLICIES (cont)

p) Adoption of Australian Equivalents to International Financial Reporting Standards (Cont'd)

(iv) Foreign Currency Transactions

AASB 121 "The Effect of Changes in Foreign Exchange Rates" removes the distinction between self-sustaining and integrated foreign operations and will require all entities to account for foreign operations as per a prescribed method. Where the presentation currency of the foreign entity is not in Australian dollars, this will result in a Foreign Currency Translation Reserve being created in equity and represents the cumulative differences of translating the financial statements of all foreign operations into the presentation currency of the entity. On disposal of foreign operations the amount in the reserve in relation to the disposed of operation is transferred to the profit and loss account and recognised as income in the period of disposal.

The Company's foreign operations comprises of Global Approach Operations Pty Ltd (MusicHall) and UK Club Holdings Pty Ltd (UK Club Casino). AASB 121 requires that any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be subject to translation.

AASB 1 provides an exemption, whereby the requirement of AASB 121 need not be retrospectively applied to fair value adjustments and goodwill arising in business combinations that occurred before the date of transition to AIFRS. If the entity does not retrospectively apply AASB 121 to those fair value adjustments and goodwill, it shall treat them as assets and liabilities of the entity rather than as assets and liabilities of the foreign operations.

The company will avail of this exemption in regard to the fair value adjustments to the carrying value of its Gaming Sub-licenses $ 2,372,463 at 30 June 2005 and therefore there will be no impact on the value of these assets upon transition to AIFRS.

(iv) Equity-based compensation benefits

Under the Australian equivalent to IFRS 2 Share-based Payment, equity-based compensation to employees will be recognised as an expense in respect of the services received. This will result in a change to the current accounting policy, under which no expense is recognised for equity-based compensation.

On transition, the financial effect of this impact is assessed as nil.

GLOBAL APPROACH LIMITED
ACN 009 118 861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

2. RESTATEMENT OF PRIOR YEAR

Due to the initial availability of access to the accounting records of MusicHall Casino in the previous financial year the initial acquisition accounting entries of Global Approach Operations Pty Ltd/ MusicHall Casino were based upon draft management accounts.

In the current period, management have undertaken a detailed review of all records and prepared a trial balance supported by detailed financial records to support the financial position of the entity at the date of acquisition, and to support the financial results of the entity since acquisition and also the state of financial performance as at 30 June 2004.

Based on this analysis, the initial acquisition accounting entries excluded $165,041 of net liabilities in the preacquisition balance sheet of Global Approach Operations. Corresponding to this was a $165,041 understatement in the acquired value of the casino license initially recorded at acquisition.

In addition, as a result of initial reliance on management accounts the consolidated statement of financial performance for the period ending 30 June 2004 overstated the loss for the period by $32,818.

This adjustment has been processed in the current period Statement of Financial Performance as a credit to the current period expenditure. The 30 June 2004 financial statements and notes to the accounts have not been adjusted to reflect this change.

The effect on the 2004 Statement of Financial Performance and Statement of Financial Position is disclosed below.

(i) Proforma Statement of Financial Performance	**30 June 2004** **$**	**30 June 2004** **$** **ProForma Restated**
Revenues from ordinary activities	746,457	758,917
Total revenue		
Professional and directors fees	273,275	256,274
Borrowing costs	1,526	-
Occupancy costs	18,131	18,131
Carrying amount of investments sold	6,545	6,545
Insurance costs	17,596	17,596
Shareholder and share registry costs	61,141	56,426
Consultant fees	25,092	25,092
Other expenses from ordinary activities	20,604	53,448
Casino operating expenses	949,363	937,877
Amortisation of intangible assets	43,529	25,056
Share of net (profit)/losses of associates and joint ventures accounted for using the equity method	(68,876)	(68,876)
Loss from ordinary activities before related income tax expense	(601,469)	(568,651)
Income tax (expense)/benefit relating to ordinary activities	-	-
Net loss after related income tax expense	**(601,469)**	**(568,651)**

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FOR THE YEAR ENDED 30 JUNE 2005

2. RESTATEMENT OF PRIOR YEAR (cont)

(ii) Proforma Statement of Financial Position	**30 June 2004** **$**	**30 June 2004** **$** **ProForma Restated**
Current assets		
Cash assets	262,836	262836
Receivables	59,248	66,699
Other financial assets	110,724	110,724
Total current assets	432,808	440,259
Non-current assets		
Other financial assets	337,418	335,179
Intangible assets	1,044,688	1,227,716
Total non-current assets	1,382,106	1,562,895
Total Assets	1,814,914	2,003,154
Current liabilities		
Payables	317,292	472,714
Provisions	7,470	7,470
Total current liabilities	324,762	480,184
Total Liabilities	324,762	480,184
Net Assets	1,490,152	1,522,970
Equity		
Contributed equity	9,881,602	9,881,602
Reserves	205,169	205,169
Accumulated losses	(8,596,619)	(8,563,801)
Total Equity	1,490,152	1,522,970

(iii) Proforma Statement of Shareholders Equity	**30 June 2004** **$**	**30 June 2004** **$** **ProForma Restated**
Opening Balance 1 July 2003	(7,261,446)	(7,261,446)
Demerger	(733,704)	(733,704)
Net loss	(601,469)	(568,651)
30 June 2004	(8,596,619)	(8,563,801)

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3. ON LINE GAMING INTERESTS

3(a) Assets relating to on line gaming

As at 30th June 2005 the company owned two operating online casinos. Details of the two casinos are:

- A 100% interest in the MusicHall on-line casino was purchased on 5 January 2004 through the acquisition of a 100% controlled entity, Global Approach Operations Pty Ltd. This acquisition was settled by the issue of 20,000,000 ordinary shares in the Company and was approved by shareholders.
- A 100% interest in UK Club on-line casino with the purchase of the initial 23% on 15 June 2004 through the acquisition of a 23% interest in UK Club Holdings Pty Ltd, with the remaining 77% of the entity acquired effective 31st December 2004 by the payment of an initial $500,000 with the remaining $424,000 being paid on the 24th February 2005.
- The company also operates its own Poker Room which was established without any capital costs being incurred by Global.

The following assets are included in the Company and consolidated financial statements at 30 June 2005.

Description	Related online casino	Note	Consolidated $	Parent Entity $
Investment in Global Approach Operations Pty Ltd – at cost	MusicHall	11	-	1,212,001
Loan to Global Approach Operations Pty Ltd – at cost	MusicHall	10	-	196,689
Intangible asset – gaming sub-licence at written down value	MusicHall	12	1,177,604	-
Investment in UK Club Holdings Pty Ltd	UK Club	11	-	1,200,867
Loan to UK Club Holdings Pty Ltd at cost	UK Club	10	-	42,566
Intangible asset – gaming sub-licence at written down value	UK Club	12	1,194,859	-
Total			**2,372,463**	**2,652,123**

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FOR THE YEAR ENDED 30 JUNE 2005

3. ON LINE CASINO GAMING (cont.)

3(a) Assets relating to on line gaming (cont.)

The directors consider that the following information is relevant in considering the carrying value of these assets:

- **Cash flow forecast-** The directors have prepared cash flow forecasts for Beach Club Poker, MusicHall and UK Club on-line casinos for the year ended 30th June 2006 which indicate that the on-line casinos and Poker room, will operate profitably and be cash flow positive for the current year and at levels which support the recoverability of the assets outlined above.

- **Investment in Marketing-** In the 2005 financial year the directors elected to spend considerable funds on marketing to ensure that player numbers were increased to a level to allow ongoing profitability to be sustained. This had an adverse effect in that year on operations as the marketing costs were expensed. However, the benefit from that decision is being reflected in the current results of the operations and this in turn has been acknowledged in the 2006 cash flow forecasts and budgets.

- **Customer Data Base-** The directors believe that there is a market for deposit-paying, on-line casino and poker room players and that the database of such players held by the consolidated entity also assists in supporting the carrying value of the above assets. It is not currently the directors' intention to sell the consolidated entity's interest in the on-line casinos or the poker room.

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FOR THE YEAR ENDED 30 JUNE 2005

4. DIVIDENDS

There were no dividends proposed or paid by the Company during the financial year or in the previous financial year.

	Parent Entity	
	2005	**2004**
Dividend franking account	**$**	**$**
30% franking credits available to shareholders of Global Approach Limited for subsequent financial years	115,982	115,982

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

a) franking credits that will arise from the payment of the amount of the provision for income tax

b) franking credits that will arise from the payment of dividends recognised as a liability at year-end

c) franking credits that will arise from the receipt of dividends recognised as receivables at the year-end

d) franking credits that the entity may be prevented from distributing in subsequent years

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

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	Consolidated		Parent Entity	
5. REVENUE FROM ORDINARY ACTIVITIES	**2005**	**2004**	**2005**	**2004**
	$	**$**	**$**	**$**
Operating revenue				
Gaming revenue	3,404,747	703,177	-	-
Other revenues:				
From operating activities				
Interest received	21,248	27,705	7,306	3,926
Management fees from controlled entities	-	-	93,600	93,600
From outside operating activities				
Sundry	-	15,575	-	-
Total other revenues	21,248	43,280	100,906	97,526
Total revenue from ordinary activities	3,425,995	746,457	100,906	97,526

6. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE

Profit / (loss) from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:

Net gain/(loss) on foreign exchange	7,874	4,550	(26,013)	(10,167)
Interest expense				
Other parties	1,378	1,526	1,288	1,329
Amortisation of intangible assets	74,583	43,529	-	-
Loss (gain) on disposal of investments	-	6,545	-	-

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7. TAXATION	**Consolidated**		**Parent Entity**	
	2005	**2004**	**2005**	**2004**
*a) **Income tax expense***	**$**	**$**	**$**	**$**
Prima facie income tax expense/(benefit) calculated @ 30% (2004: 30%) on the profit/(loss) from ordinary activities	(28,225)	(180,441)	(91,086)	(99,849)
Increase/(decrease) in income tax due to non deductible/(non assessable):				
Non deductible (assessable) items	(9,416)	(10,313)	(9,416)-	-
Future income tax benefit (utilised) not brought to account	37,641	190,754	100,502	99,849
Income tax expense/(benefit) attributable to operating profit/ (loss)	-	-	-	-
*b) **Deferred tax assets***				
Future income tax benefit not taken to account				
The potential future income tax benefit, calculated at 30% (2004: 30%) 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 a reasonable doubt:				
Tax losses carried forward	125,543	367,225	125,543	273,376
Timing differences	7,553	6,846	7,553	6,600
	133,096	279,976	133,096	279,976

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

(a) the relevant company 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;

(b) the relevant company and/or the consolidated entity continues to comply with the conditions for deductibility imposed by the law; and

(c) no changes in tax legislation adversely affect the relevant company and/or the consolidated entity in realising the benefit.

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FOR THE YEAR ENDED 30 JUNE 2005

8. CONTINGENT LIABILITIES

The directors are not aware that there are any contingent liabilities.

9. EARNINGS PER SHARE

The following securities have been classified as ordinary shares and included in basic earnings per share:

- Ordinary shares

	Consolidated	
	2005	**2004**
	$	**$**
Earnings reconciliations		
Net profit/(loss)	(94,086)	(601,469)
Net loss attributable to outside equity interests	-	-
Basic earnings	(94,086)	(601,469)
After tax effect of costs of options	-	-
Diluted earnings	(94,086)	(601,469)
Weighted average number of shares used as the denominator		
Number for basic earnings per ordinary share	51,929,850	32,174,469
Effect of share options on issue		-
Number for diluted earnings per share	51,929,850	32,174,469

The following share options have not been included in the calculation of diluted earnings per share as they are not dilutive:

- Options outstanding, expiring 31 January 2006, exercisable at 10 cents per option.

10. RECEIVABLES

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
Current				
Other debtor	599,396	59,248	132	-
Prepayments	31,000	-	31,000	-
	630,396	59,248	31,132	-
Australian dollar equivalent to amounts denominated in foreign currency				
- US Dollars	562,821	-	-	-
Non-current				
Other debtor	65,464	-	-	-
Loans to controlled entities	-	-	908,235	833,145
Less: Provision for doubtful debts	-	-	(670,102)	(670,102)
	65,464	-	238,133	163,043

Loans to controlled entities have been provided for to the extent that their recoverability, from the expected cashflows from the operating and investing activities of each controlled entity, is not expected.

11. OTHER FINANCIAL ASSETS

	Consolidated		Parent Entity	
	2005	2004	2005	2004
Current				
Investments in other entities				
Other securities at cost	-	110,724	-	-
	-	110,724	-	-
Non-current				
Investments in controlled entities				
Unlisted shares at cost	-	-	6,278,263	5,077,397
Less: provision for diminution	-	-	(3,863,791)	(3,863,791)
	-	-	2,414,472	1,213,606
Investments in other entities				
Unlisted shares at cost	-	282,056	-	282,056
Other securities at cost	-	55,362	-	-
	-	337,418	2,414,472	1,495,662

The provision for diminution in the value of shares in controlled entities was based upon the Directors' estimate of the underlying net assets of these entities.

On 15 June 2004 the company acquired a 23% interest in UK Club Holdings Pty Ltd for a total net cost of $282,056. On 31 December 2004 UK Club Holdings Pty Ltd became a wholly owned subsidiary. Refer Note 3 and 24(b)for further details.

On 9 May 2005 Ledgerworks (Australia) Pty Ltd bought back 738,161 preference shares for a value of $110,724. In return the company loaned the same amount to Ledgerworks as a secured debt at an annual interest rate of 11.25% repayable in 36 equal monthly instalments.

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	Consolidated		Parent Entity	
	2005	2004	2005	2004
12. INTANGIBLE ASSETS	$	$	$	$
Gaming sub-licence at cost	2,472,102	1,088,217	-	-
Accumulated amortisation	(99,639)	(43,529)	-	-
	2,372,463	1,044,688	-	-

The gaming sub-licence relates to the on-line casino's, MusicHall Casino and UK Club. The consolidated entity has a sub-licence with a minimum term of 25 years. Refer Notes 3 and 24 for additional information.

13. PAYABLES

Current				
Trade creditors and accruals	396,258	317,292	89,222	317,292
Australian dollar equivalent to amounts denominated in foreign currency				
- US Dollars	309,745	-	-	-

Included in creditors for 2004 is $276,000 relating to the acquisition of an interest in the UK Club Holdings Pty Ltd that was settled after year-end by the issue of shares. In 2005 creditors include $309,745 accrued expenses relating to the gaming activities of the group.

14. PROVISIONS

Current				
Provision for unclaimed monies	7,470	7,470	7,470	7,470

15. OTHER

Current				
Underwriting proceeds received in advance	600,000	-	600,000	-

On 24 February 2005 the company entered into an agreement with Firebrand Interactive Limited whereby that entity underwrote the last 6 million of the 31 January 2006 options. Under the terms of this agreement, the underwriting proceeds totalling $600,000 were paid in cash to the company. This amount has been recognised as a liability of the company and will only be repaid to the extent that the underwritten options are exercised by holders and the proceeds received by the company.

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	Consolidated		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
16. CONTRIBUTED EQUITY				
Issued and paid up capital				
54,823,327 (2005) 45,908,933 (2004) ordinary shares, fully paid	10,829,936	9,881,602	10,829,936	9,881,602
Movement in ordinary share capital				
Balance at the beginning of the financial year	9,881,602	8,245,788	9,881,602	8,245,788
Shares issued;				
-20,000,000 for acquisition of investments	-	1,200,000	-	1,200,000
-2,760,000 for 23% acquisition UK Casino Club	276,000	-	276,000	-
-6,154,394 (2005) 3,135,343 (2004) from the exercise of options	615,439	313,534	615,439	313,534
Transfer from Option Reserve upon exercise of options - current year	61,544	-	61,544	-
- prior year not previously recognised	31,353	-	31,353	-
- 3,388,885 from conversion of convertible notes		152,500		152,500
Transaction costs for share issue	(36,002)	(30,219)	(36,002)	(30,219)
Share reduction on de-merger of joint venture	-	(1)	-	(1)
Balance at the end of the financial year	10,829,936	9,881,602	10,829,936	9,881,602

Share reduction

In 2004 comparative figures it reflects that in December 2003 the company completed a share reduction on the de-merger of Events Software Pty Ltd approved by shareholders at the extra ordinary general meeting held on the 28 November 2003. The total value of the de-merger was $733,705 that represented the consolidated carrying value of 50% of Amlink Technologies joint venture. The share reduction was allocated as follows:

	Consolidated	Parent Entity
Share capital	1	1
Retained profits	733,704	-
	733,705	1

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the consolidated entity ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

16. CONTRIBUTED EQUITY (CONT'D)

Options

Movements during the year

Expiry date	Exercise price	No. of options 1 July 2004	Options granted	Options lapsed	Options exercised	No. of options 30 June 2005
30 November 2004	16 cents	750,000	-	(750,000)	-	-
31 January 2006	10 cents	16,249,362	-	-	(6,154,394)	10,094,968
		16,999,362	-	(750,000)	(6,154,394)	10,094,968

17. RESERVES	Consolidated 2005 $	Consolidated 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Foreign currency translation	-	11,322	-	-
Options reserve	100,950	193,847	100,950	193,847
	100,950	205,169	100,950	193,847
Movement in the Reserves during the year was as follows:				
Foreign currency translation reserve-				
Opening balance	11,322	11,322	-	-
Transfer to accumulated losses	(11,322)	-	-	-
Closing balance	-	11,322	-	-

The foreign currency translation reserve records the foreign currency differences arising from the translation of self-sustaining foreign operations.

	Consolidated 2005 $	Consolidated 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Options reserve				
Opening balance (19,384,705 options)	193,847	-	193,847	-
Transfer to equity upon exercise of options				
- current year	(61,544)	-	(61,544)	-
- prior year not previously recognised	(31,353)	-	(31,353)	-
19,384,705 10 cent options expiring 31 January 2006, issued for 1 cent each	-	193,847	-	193,847
Closing balance (10,094,968 options)	100,950	193,847	100,950	193,847

The options reserve reflects consideration received upon the issue of options being 1 cent per option. Upon the exercise of the options a proportionate amount of the reserve is transferred to contributed equity.

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18. ACCUMULATED LOSSES

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
Accumulated losses at the beginning of the year	(8,596,619)	(7,261,446)	(8,457,248)	(8,124,417)
Transfer from foreign currency translation reserve	11,322	-	-	-
De-merger, refer Note 16	-	(733,704)	-	-
Net profit/(losses) attributable to members of the parent entity	(94,086)	(601,469)	(303,619)	(332,831)
Accumulated losses at end of the year	(8,679,383)	(8,596,619)	(8,760,867)	(8,457,248)

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) For the purpose of the statements of cash flows, cash includes cash on hand and at bank on short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:

Cash at bank and on hand	186,908	262,836	182,874	284,258

(b) Reconciliation of cash flow from operations with operating profit after income tax:

Operating profit (loss) after income tax	(94,086)	(601,469)	(303,619)	(332,831)
Add/(less) non-cash items:				
Amortisation of licence:	74,583	43,529	-	-
Loss (gain) on sale of investments	-	6,545	-	-
Share of associates and joint venture entity's loss/(profit)	-	(68,876)	-	-
Management fees charged direct to controlled entity loan accounts	-	-	(93,600)	-
Fundamental error (Note 1 (q))	(32,818)	-	-	-
Net cash provided by operating activities before changes in assets and liabilities *	(52,321)	(620,271)	(397,219)	(332,831)
(Increase)/decrease in receivables	(416,773)	15,213	(132)	-
(Increase)/decrease in other assets	-	17,596		17,596
Increase /(decrease) in payables	105,403	(19,861)	53,985	(4,069)
Net cash provided by/(used in) operating activities	(363,691)	(607,323)	(343,366)	(319,304)

* Net of balances acquired through the acquisition of UK Club Holdings Pty Ltd (Note 24 (b)) and fundamental error adjustment (Note 2).

19. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

(c) Non-cash financing and investing activities

During the year redeemable preference shares held by the consolidated group were converted to debtors. In addition to this amounts payable and outstanding as at 30 June 2004 for the acquisition of 23% of UK Club Holdings Pty Ltd were settled by means of share issue (Note 3 and 24(b)). The effects of these transactions have not been reflected in the cashflow statement.

20. AUDITORS' REMUNERATION

	Consolidated		Parent Entity	
	2005	**2004**	**2005**	**2004**
	$	**$**	**$**	**$**
Audit services:				
Auditors of the Company – for the audit and review of the financial reports including fee overruns – PKF (2005) KPMG (2004)				
PKF	86,158	-	86,158	-
KPMG	8,900	17,945	8,900	17,945
Other services:				
Auditors of the Company - KPMG				
Accounting assistance	5,800	8,000	5,800	8,000
Taxation services	-	6,800	-	6,800
	100,858	32,745	100,858	32,745

21. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

a) Foreign Exchange Risk and Commodity Price Risk

The consolidated entity has foreign currency risk exposure with respect to its on line gaming business that is predominantly in US dollars. The company does not hedge foreign exchange risk. The company has minimal commodity risk.

b) Interest rate risk

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

			Fixed Interest Maturing In:				
2005	**Weighted average interest rate**	**Floating interest rate**	**1 Year or less**	**Over 1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
Financial assets		**$**	**$**	**$**	**$**	**$**	**$**
Cash	2.4%	186,908	-	-	-	-	186,908
Receivables	11.25%	-	36,442	65,464	-	593,954	695,860
		186,908	36,442	65,464-	-	593,954	882,768
Financial liabilities							
Payables	-	-	-	-	-	396,258	396,258
Other	-	-	-	-	-	600,000	600,000
		-	-	-	-	996,258	996,258

21. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (CONT'D)

b) Interest rate risk (Cont'd)

2004	Weighted average interest rate	Floating interest rate	Fixed Interest Maturing In: 1 Year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets		$	$	$	$	$	$
Cash	2.2%	262,836	-	-	-	-	262,836
Receivables - current	-	-	-	-	-	59,248	59,248
Other financial assets	11.4%	-	110,724	55,362	-	282,056	448,142
		262,836	110,724	55,362	-	341,304	770,226
Financial liabilities							
Payables	-	-	-	-	-	317,292	317,292
		-	-	-	-	317,292	317,292

c) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets, excluding investments of the economic entity that have been recognised on the statement of financial position, is the carrying value, net of any provision for doubtful debts.

The consolidated entity is exposed to a concentration of credit risk in relation to the amounts owing by the funds loaned to a non associated entity totalling $101,907 as reflected in Note 10.

d) Net fair values of financial assets and liabilities

Valuation approach
Net fair values of financial assets and liabilities are determined by the consolidated entity on the following bases:

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows.

The net fair values of all other financial assets and liabilities of the consolidated entity are represented by the carrying amount of these items.

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22. DIRECTOR AND EXECUTIVE DISCLOSURES FOR DISCLOSING ENTITIES

Specified directors

Executive director
Mr D Barwick

Non executive directors
Mr M Veverka
Mr I Mackay
Mr B Lyne

Specified executives

There are no specified executives of the consolidated entity who are not directors.

There have been no changes in specified directors or executives after reporting date and prior to the date of the Directors' Declaration.

Equity instruments

All options refer to options over ordinary shares of Global Approach Limited, which are exercisable on a one-for-one basis.

Option holdings

The movement during the reporting period in the number of options over ordinary shares in Global Approach Limited held directly, indirectly or beneficially, by each specified director including their personally related entities, is as follows:

Specified directors	Held at 1 July 2004	Purchases	Exercised	Expired	Disposed	Held at 30 June 2005	Vested & exercisable at 30 June 2005
David Barwick	1,258,659	-	(176,517)	(250,000)	(292,054)	540,088	540,088
Mike Veverka	9,430,000	750,000	(100,000)	(1,500,000)	(3,000,000)	2,580,000	2,580,000
Ian Mackay	450,000	-	(100,000)	-	-	350,000	350,000
Bill Lyne	-	-	-	-	-	-	-

No options held by specified directors are vested but not exercisable.

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22. DIRECTOR AND EXECUTIVE DISCLOSURES FOR DISCLOSING ENTITIES (CONT'D)

Equity holdings

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

Specified director	Held at 1 July 2004	Purchases	Received on exercise of options	Sales	Held at 30 June 2005
David Barwick	2,431,015		176,517		2,607,532
Mike Veverka	8,548,817	157,888	100,000	-	8,806,705
Ian Mackay	125,000		100,000	-	225,000
Bill Lyne	-	-	-	-	-

Other transactions with the company or its controlled entities

Transactions between specified directors or their personally related entities are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the year the company paid $3,600 to Queensland Underwriters Limited, of which Mr David Barwick is a director, for the use of a serviced office during the year.

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23. SEGMENT INFORMATION

(a) Primary Reporting – Geographical Segments

Following the acquisition of Global Approach Operations Limited and UK Club Holdings Pty Ltd, the consolidated entity operates an internet gaming business worldwide excluding Australia. The license for the casino operation is held in Canada with the management being Australian based.

	2005			2004		
	North America $	**Rest of the World $**	**Consolidated $**	**North America $**	**Rest of the World $**	**Consolidated $**
Internet gaming						
Operating – revenue						
Total internet gaming revenue	2,706,166	698,581	3,404,747	520,351	182,826	703,177
Unallocated revenue			21,248			43,280
Total revenue from ordinary activities			3,425,995			746,457
Segment result	249,352	55,572	304,924	(182,177)	(64,008)	(246,185)
Unallocated expenses			(399,010)			(355,284)
Consolidated loss from ordinary activities before income tax			(94,086)			(601,469)
Income tax expense			-			-
Consolidated loss from ordinary activities after income tax			(94,086)			(601,469)
Assets						
Segment assets	-	-	-	-	-	-
Unallocated assets			3,255,231			1,814,914
Total Assets			3,255,231			1,814,914
Liabilities						
Segment liabilities	120,964	35,494	156,458	-	-	-
Unallocated liabilities			847,270			324,762
Total Liabilities			1,003,728			324,762
Other segment information						
Acquisition of property, plant & equipment, intangible assets and other non-current assets.			1,200,865			1,212,001
Amortisation			74,583			43,529

(b) Secondary Reporting – Business Segments

The economic entity operates in only one business segment being internet gaming.

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24. CONTROLLED ENTITIES

(a) Particulars in relation to controlled entities

Parent entity	Country of Incorporation	Percentage owned 2005 %	2004 %
Global Approach Limited	Australia		
Subsidiaries of Global Approach Limited			
Global Approach Operations Pty Ltd	Australia	100	100
A.T. Capital Pty Ltd	Australia	100	100
Amlink Solutions Pty Ltd	Australia	100	100
Amlink Technologies Marketing Pty Ltd	Australia	100	100
Amlink Staff Pty Ltd	Australia	100	100
Amlink Technologies (USA) Inc	USA	100	100
UK Club Holdings Pty Ltd	Australia	100	23

b) Acquisition / disposal of controlled entities

Acquisition of entities

During the financial year the consolidated entity purchased 100% of the voting shares of UK Club Holdings Pty Ltd. During 2004 the consolidated entity purchased 100% of the voting shares of Global Approach Operations Pty Ltd. Details of the acquisitions are as follows:

	Consolidated 2005 $	Consolidated 2004 $	Parent Entity 2005 $	Parent Entity 2004
Consideration - shares	276,000	1,200,000	276,000	1,200,000
- cash (associated costs)	924,865	12,001	924,865	12,001
Total consideration including associated costs	1,200,865	1,212,001	1,200,865	1,212,001
Consideration - cash	924,865	12,001		
Cash acquired	11	(79,424)		
Outflow (inflow) of cash on acquisition	924,854	(67,423)		
Fair value of net assets of entity acquired				
Cash assets	11	79,424		
Receivables	79,482	44,360		
Gaming sub-licence	1,219,330	1,088,217		
Payables	(97,958)	-		
Consideration	1,200,865	1,212,001		

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24. CONTROLLED ENTITIES (CONT'D)

Global Approach Operations Pty Ltd was acquired on 5 January 2004 and the operating results of the entity from that date have been included in the consolidated operating profit. The entity holds the licence to operate an on-line casino MusicHall Casino. On 26 November 2004 share holders approved the unconditional component of this purchase.

UK Club Holdings Pty Ltd was acquired as a wholly owned subsidiary on the 31 December 2004.

Disposal of entities

During the 2004 financial year, the consolidated entity disposed of all of the ordinary shares of Events Software Pty Ltd and TSC Software Pty Ltd. No disposals occurred during the current financial year. Details of the disposals are as follows:

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
Consideration	-	3	-	3
Carrying amount of disposal	-	3	-	3
Profit on disposal	-	-	-	-
Net assets of entities disposed of:	-	-	-	-
Cash	-	3	-	3
Property, plant and equipment	-	-	-	-
Trade creditors	-	-	-	-
	-	3	-	3
	%	%	%	%
Interest held after disposal	-	-	-	-

Events Software Pty Ltd was disposed on 31 December 2003 and TSC Software Pty Ltd was disposed on 8 December 2003. The operating results of each entity to the date of disposal have been included in the 2004 consolidated operating profit.

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25. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**Consolidated 2005 $**	**2004 $**
Share of net profits/(losses) accounted for using the equity method included in the statement of financial performance		
- joint venture entities	-	68,876
	-	68,876

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25. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT'D)

b) Interests in joint venture entity: (this only applies to 2004)

	Consolidated	
	2005	2004
Results of joint venture entity	$	$
The Company's and consolidated entity's share of the joint venture entity's results consist of		
Revenue from ordinary activities	-	662,423
Expenses from ordinary activities	-	(593,547)
Profit from ordinary activities before income tax expense	-	68,876
Income tax expense relating to ordinary activities	-	-
Net profit – equity accounted	-	68,876
Share of post-acquisition retained profits attributable to joint venture entities		
Share of joint venture entity's retained profits at beginning of year	-	676,425
Less drawings made	-	-
De-merger of interest in joint venture	-	(745,301)
Share of joint venture entity's net profit	-	68,876
Share of joint venture entity's retained profits at end of year	-	
Statement of financial position		
The Company's and consolidated entity's share of the joint venture entity's assets and liabilities consist of:		
Current assets	-	
Non-current assets	-	
Total assets	-	
Current liabilities	-	
Total liabilities	-	
Net assets – equity accounted	-	
Movements in carrying amount of joint venture entity		
Carrying amount at beginning of year	-	664,578
Share of joint venture entity's reserves	-	250
Share of joint venture entity's net profit	-	68,876
Dividends received	-	-
Investment in joint venture entities disposed during the year	-	(733,704)
Carrying amount at end of year	-	

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26. LEGAL RISK

The acquisition of investments in Global Approach Operations Pty Ltd and UK Club Holdings Pty Ltd during the year involved the assumption of pre existing agreements with respect to the operation of the on-line gaming casinos. These agreements comprise various management agreements, gaming licence agreements, gaming sub licence agreements, software licence agreements and shareholders agreements.

Due to international cross border jurisdictional issues and the complexity of the legal arrangements, there is an increased risk that the company may not be able to effectively enforce its rights in the event of a dispute with respect to its interests.

If the company is unable to enforce its contractual rights, it is possible that the company's assets with respect to these investments will not realise their carrying value. In such an event, significant losses may accrue to the company.

27. EVENTS SUBSEQUENT TO REPORTING DATE

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