Rule 4.3A

Appendix 4E

ELS010.2006

Preliminary Final Report

Name of entity

SYNERGY EQUITIES GROUP LIMITED

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Current reporting period financial year ended	Previous corresponding reporting period financial year ended
44 009 148 529		✓	**30 June 2005**	**30 June 2004**

Results for announcement to the market

Extracts from this report for announcement to the market $A'000

Revenues from ordinary activities *(item 1.1)*	down	52%	to	558
(Loss) from ordinary activities after tax attributable to members *(item 1.22)*	up	1145%	to	(3,760)
Profit (loss) from extraordinary items after tax attributable to members *(item 2.5(d))*	gain (loss) of	-		-
Net (loss) for the period attributable to members *(item 1.11)*	up	1145%	to	(3,760)

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend *(Preliminary final report only - item 15.4)* Interim dividend *(Half yearly report only - item 15.6)*	¢	¢
Previous corresponding period *(Preliminary final report - item 15.5; half yearly report - item 15.7)*	¢	¢

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) *(see item 15.2)*

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Glossary in brief

SYNERGY is Synergy Equities Group Limited.

the Company is Synergy Equities Group Limited.

SYNERGY Australia is Synergy Business Solutions Australia Pty Ltd, SYNERGY's wholly owned subsidiary.

SYNERGY Ticketing is SYNERGY Ticketing Pty Ltd, SYNERGY's wholly owned subsidiary.

Data-**inCrypt**® is Data-**inCrypt**® Pty Ltd, SYNERGY's wholly owned subsidiary.

SYNERGY Group is SYNERGY, SYNERGY Australia, SYNERGY Ticketing, Data-**inCrypt**® & School of the Net Pty Ltd.

ASX is Australian Stock Exchange Limited.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

		Current period $A'000	Previous corresponding period $A'000
1.1	Revenues from ordinary activities *(see items 1.23 - 1.25)*	558	1,154
1.2	Expenses from ordinary activities *(see items 1.26 and 1.27)*	(4,318)	(1,453)
1.3	Borrowing costs	-	(3)
1.4	Share of net profits (losses) of associates and joint venture entities *(see item 16.7)*	-	-
1.5	**Profit (loss) from ordinary activities before tax**	**(3,760)**	**(302)**
1.6	Income tax on ordinary activities	-	-
1.7	**Profit (loss) from ordinary activities after tax**	**(3,760)**	**(302)**
1.8	Profit (loss) from extraordinary items after tax *(see item 2.5)*	-	-
1.9	**Net profit (loss)**	**(3,760)**	**(302)**
1.10	Net profit (loss) attributable to outside +equity interests	-	-
1.11	**Net profit (loss) for the period attributable to members**	**(3,760)**	**(302)**
Non-owner transaction changes in equity			
1.12	Increase (decrease) in revaluation reserves	-	-
1.13	Net exchange differences recognised in equity	-	-
1.14	Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity *(items 1.12 to 1.15)*	-	-
1.17	**Total changes in equity not resulting from transactions with owners as owners**	**-**	**-**

Earnings per security (EPS)		Current period $A'000	Previous corresponding period $A'000
1.18	Basic EPS (cents per share)	(0.006)	(0.06)
1.19	Diluted EPS (cents per share)	(0.006)	(0.06)

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

		Current period $A'000	Previous corresponding period $A'000
1.20	Profit (loss) from ordinary activities after tax (*item 1.7*)	(3,760)	(302)
1.21	Less (plus) outside +equity interests	-	-
1.22	**Profit (loss) from ordinary activities after tax, attributable to members**	**(3,760)**	**(302)**

Revenue and expenses from ordinary activities

		Current period $A'000	Previous corresponding period $A'000
1.23	Revenue from sales or services	389	378
1.24	Interest revenue	17	35
1.25	Other relevant revenue	152	741
1.26	Details of relevant expenses		
	Administrative expenses	(258)	(280)
	Bad debts	-	-
	Consultants, legal fees and management fees	(193)	(184)
	Exploration expenditures	(27)	(29)
	Provisions	(3)	31
	Staff costs	(623)	(642)
1.27	Depreciation and amortisation excluding amortisation of intangibles *(see item 2.3)*	(229)	(281)
Capitalised outlays			
1.28	Interest costs capitalised in asset values	-	-
1.29	Outlays capitalised in intangibles (unless arising from an +acquisition of a business)	-	-

+ See chapter 19 for defined terms.

Consolidated retained profits

		Current period $A'000	Previous corresponding period $A'000
1.30	Retained profits (accumulated losses) at the beginning of the financial period	(24,190)	(23,888)
1.31	Net profit (loss) attributable to members (*item 1.11*)	(3,760)	(302)
1.32	Net transfers from (to) reserves *(details if material)*		-
1.33	Net effect of changes in accounting policies	-	-
1.34	Dividends and other equity distributions paid or payable	-	-
1.35	**Retained profits (accumulated losses) at end of financial period**	**(27,950)**	**(24,190)**

Intangible and extraordinary items

		Consolidated - current period			
		Before tax $A'000 (a)	Related tax $A'000 (b)	Related outside equity interests $A'000 (c)	Amount (after tax) attributable to members $A'000 (d)
2.1	Amortisation of goodwill	-	-	-	-
2.2	Amortisation of other intangibles	249,664	-	-	249,664
2.3	**Total amortisation of intangibles**	249,664	-	-	249,664
2.4	Extraordinary items (details)	-	-	-	-
2.5	**Total extraordinary items**	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

		Current period $A'000	Previous corresponding period $A'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year *(item 1.22 in the half yearly report)*	(318)	(38)
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year	(3,442)	(264)

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position

		At end of current period $A'000	As shown in last annual report $A'000	As in last half yearly report $A'000
	Current assets			
4.1	Cash	185	631	478
4.2	Receivables	454	39	69
4.3	Investments	-	156	-
4.4	Inventories	-	-	-
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	13	16	43
4.7	**Total current assets**	**652**	**842**	**590**
	Non-current assets			
4.8	Receivables	-	-	-
4.9	Investments (equity accounted)	-	-	-
4.10	Other investments	-	-	-
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised *(see para .71 of AASB 1022)*	-	840	840
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	582	827	747
4.15	Intangibles (net)	4,766	7,169	7,264
4.16	Tax assets	-	-	-
4.17	Other (provide details if material)	-	-	-
4.18	**Total non-current assets**	**5,348**	**8,836**	**8,851**
4.19	**Total assets**	**6,000**	**9,678**	**9,441**
	Current liabilities			
4.20	Payables	260	187	257
4.21	Interest bearing liabilities	-	-	-
4.22	Tax liabilities	-	-	-
4.23	Provisions exc. tax liabilities	20	10	21
4.24	Other (provide details if material)	-	-	-
4.25	**Total current liabilities**	**280**	**197**	**278**
	Non-current liabilities			
4.26	Payables	-	-	-
4.27	Interest bearing liabilities	-	-	-
4.28	Tax liabilities	-	-	-
4.29	Provisions exc. tax liabilities	-	-	-
4.30	Other (provide details if material)	-	-	-
4.31	**Total non-current liabilities**	**-**	**-**	**-**
4.32	**Total liabilities**	**280**	**197**	**278**
4.33	**Net assets**	**5,720**	**9,481**	**9,163**

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position continued

		At end of current period $A'000	As shown in last annual report $A'000	As in last half yearly report $A'000
	Equity			
4.34	Capital/contributed equity	33,670	33,670	33,670
4.35	Reserves	-	-	-
4.36	Retained profits (accumulated losses)	(27,950)	(24,189)	(24,507)
4.37	**Equity attributable to members of the parent entity**	**5,720**	**9,481**	**9,163**
4.38	Outside +equity interests in controlled entities	-	-	-
4.39	**Total equity**	**5,720**	**9,481**	**9,163**
4.40	Preference capital included as part of 4.37	-	-	-

Notes to the condensed consolidated statement of financial position
Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

		Current period $A'000	Previous corresponding period $A'000
5.1	Opening balance	840	798
5.2	Expenditure incurred during current period	-	71
5.3	Expenditure written off during current period	-	(29)
5.4	Acquisitions, disposals, revaluation increments, etc.	(840)	-
5.5	Expenditure transferred to Development Properties	-	-
5.6	**Closing balance as shown in the consolidated balance sheet** *(item 4.12)*	-	**840**

Development properties

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

		Current period $A'000	Previous corresponding period $A'000
6.1	Opening balance	-	-
6.2	Expenditure incurred during current period	-	-
6.3	Expenditure transferred from exploration and evaluation	-	-
6.4	Expenditure written off during current period	-	-
6.5	Acquisitions, disposals, revaluation increments, etc.	-	-
6.6	Expenditure transferred to mine properties	-	-
6.7	**Closing balance as shown in the consolidated balance sheet** *(item 4.13)*	-	-

+ See chapter 19 for defined terms.

Condensed consolidated statement of cash flows

		Current period $A'000	Previous corresponding period $A'000
	Cash flows related to operating activities		
7.1	Receipts from customers	406	442
7.2	Payments to suppliers and employees	(1,230)	(1,661)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	17	34
7.6	Interest and other costs of finance paid	-	-
7.7	Income taxes paid	-	-
7.8	Other – Exploration expenditure	(65)	(134)
	Other – Research and development tax offset	136	135
7.9	**Net operating cash flows**	**(736)**	**(1,184)**
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	(53)	(140)
7.11	Proceeds from sale of property, plant and equipment	181	55
7.12	Payment for purchases of equity investments	-	(87)
7.13	Proceeds from sale of equity investments	172	650
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other – payments for intangibles	(10)	-
7.17	**Net investing cash flows**	**290**	**478**

Condensed consolidated statement of cash flows continued

		Current period $A'000	Previous corresponding period $A'000
	Cash flows related to financing activities		
7.18	Proceeds from issues of +securities (shares, options, etc.)	-	1,027
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividends paid	-	-
7.22	Other	-	-
7.23	**Net financing cash flows**	**-**	**1,027**
7.24	**Net increase (decrease) in cash held**	**(446)**	**321**
7.25	Cash at beginning of period *(see Reconciliation of cash)*	631	310
7.26	Exchange rate adjustments to item 7.25	-	-
7.27	**Cash at end of period** *(see Reconciliation of cash)*	**185**	**631**

Non-cash financing and investing activities

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

Nil

Reconciliation of cash

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

		Current period $A'000	Previous corresponding period $A'000
8.1	Cash on hand and at bank	20	19
8.2	Deposits at call	165	612
8.3	Bank overdraft	-	-
8.4	Other	-	-
8.5	**Total cash at end of period** *(item 7.27)*	**185**	**631**

+ See chapter 19 for defined terms.

Other notes to the condensed financial statements

Ratios

		Current period $A'000	Previous corresponding period $A'000
9.1	**Profit before tax / revenue** Consolidated profit (loss) from ordinary activities before tax (*item 1.5*) as a percentage of revenue (*item 1.1*)	(674)	(26)
9.2	**Profit after tax / +equity interests** Consolidated net profit (loss) from ordinary activities after tax attributable to members (*item 1.11*) as a percentage of equity (similarly attributable) at the end of the period (*item 4.37*)	(65.73)	(3.19)

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraphs 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

Basic EPS

(a) The numerator in calculating basic EPS is a loss of $3,760,307.

(b) Only fully paid ordinary shares have been used in determining basic EPS.

(c) Weighted average number of ordinary shares used as a denominator in calculating basic EPS is 585,186,795 shares.

Diluted EPS

(a) The numerator in calculating basic EPS is a loss of $3,760,307.

(b) Weighted average number of ordinary shares used as a denominator in calculating basic EPS is 585,186,795 shares.

(c) There have been no converted, lapsed or cancelled potential ordinary shares included in the calculation of diluted EPS.

(d) There has been no issue of potential ordinary shares between the reporting date and the time of completion of the financial report.

NTA backing

		Current period $A'000	Previous corresponding period $A'000
11.1	Net tangible asset backing per +ordinary security	0.0016	0.0025

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations.)

12.1 Discontinuing Operations

Not applicable.

Control gained over entities having material effect

13.1	Name of entity (or group of entities)	
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	$
13.3	Date from which such profit has been calculated	
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	$

Loss of control of entities having material effect

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

+ See chapter 19 for defined terms.

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	
15.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	

Amount per security

			Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
15.4	*(Preliminary final report only)*				
	Final dividend:	Current year	¢	¢	¢
15.5		Previous year	¢	¢	¢
15.6	*(Half yearly and preliminary final reports)*				
	Interim dividend:	Current year	¢	¢	¢
15.7		Previous year	¢	¢	¢

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

		Current period $A'000	Previous corresponding period $A'000
15.8	+Ordinary securities	¢	¢
15.9	Preference +securities	¢	¢

+ See chapter 19 for defined terms.

Preliminary final report - final dividend (distribution) on all securities

	Current period $A'000	Previous corresponding period $A'000
15.10 +Ordinary securities *(each class separately)*		
15.11 Preference +securities *(each class separately)*		
15.12 Other equity instruments *(each class separately)*		
15.13 Total		

The +dividend or distribution plans shown below are in operation

The last date(s) for receipt of election notices for the +dividend or distribution plans	

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

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

Group's share of associates' and joint venture entities':	Current period $A'000	Previous corresponding period $A'000
16.1 Profit (loss) from ordinary activities before tax		
16.2 Income tax on ordinary activities		
16.3 Profit (loss) from ordinary activities after tax		
16.4 Extraordinary items net of tax		
16.5 Net profit (loss)		
16.6 Adjustments		
16.7 Share of net profit (loss) of associates and joint venture entities		

+ See chapter 19 for defined terms.

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. (If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (*item 1.9*)	
	Current period $A'000	Previous corresponding period $A'000	Current period $A'000	Previous corresponding period $A'000
17.1 Equity accounted associates and joint venture entities				
17.2 Total				
17.3 Other material interests				
17.4 Total				

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
18.1	**Preference +securities** *(description)*				
18.2	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3	**+Ordinary securities**	585,186,795	585,186,795	N/A	N/A
18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks				
18.5	**+Convertible debt securities** *(description and conversion factor)*				
18.6	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date (if any)*
18.8	Issued during current period				
18.9	Exercised during current period				
18.10	Expired during current period				
18.11	**Debentures** *(description)*				
18.12	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.13	**Unsecured notes** *(description)*				
18.14	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

Segment reporting

The principal activities of the Company during the year were technology, mineral exploration for gold and base metals and corporate investment in equities. All activities are undertaken in Australia.

	Total Revenue		Operating Loss		Total Assets	
	2005 $	2004 $	2005 $	2004 $	2005 $	2004 $
Technology						
External customers	524,956	377,589	373,252	322,065	743,900	8,109,003
Intersegment	-	-	-	-		-
Exploration						
External customers	-	-	367,117	29,497	-	840,220
Intersegment	-	-	-	-	-	-
Corporate	33,192	776,248	3,019,938	(49,406)	5,256,735	728,437
Total	**558,148**	**1,153,837**	**3,760,307**	**302,156**	**6,000,635**	**9,677,660**

General operations review

1. Research and Development Tax Concession Rebate

$136,295.00 was received by SYNERGY's wholly owned subsidiary Synergy Business Solutions Australia Pty Ltd from the Australian Taxation Office in November 2004 as a result of its application to AusIndustry for a "Research and Development Tax Concession" rebate.

2. Lapsing of Employee / Consultant Option Incentive Scheme Options

SYNERGY announced that, in accordance with its Employee / Consultant Option Incentive Scheme Terms & Conditions as approved by shareholders at SYNERGY's 2003 Annual General Meeting, 24,000,000 unlisted options issued to former employees and consultants lapsed (the ASX announcement of 25 February 2005 refers).

3. Issue of Options Pursuant To Employee / Consultant Option Incentive Scheme

SYNERGY announced that, in accordance with its Employee / Consultant Option Incentive Scheme as approved by shareholders at SYNERGY's 2003 Annual General Meeting, 8,000,000 unlisted options were issued to its employees and consultants (the ASX announcement of 25 February 2005 refers).

4. Issue of Options Pursuant To Employee / Consultant Option Incentive Scheme

SYNERGY announced that, in accordance with its Employee / Consultant Option Incentive Scheme as approved by shareholders at SYNERGY's 2003 Annual General Meeting, 4,000,000 unlisted options were issued to its employees (the ASX announcement of 15 April 2005 refers).

5. Disposal of Residual Mining Assets

SYNERGY announced that it had entered into a significant transaction to dispose of its residual mining assets at Bullabulling and Tampia Hill in Western Australia to Mr R Morellini and Meridian Mining Limited. The disposal of the mining assets was in line with SYNERGY's corporate transition strategy to become a fully focused technology company. The Board resolved that it was in the best interests of SYNERGY to dispose of the residual mining tenements at a price that reflected the uncertain nature of its ownership of the tenements due to unresolved plaints. The essential terms of the transaction were an immediate payment to SYNERGY of the sum $150,000; after satisfaction of various conditions, a further payment to SYNERGY of the sum $100,000, being the balance of the settlement sum; and the issue to SYNERGY of shares and options to a value of $250,000 in the capital of Meridian Mining Limited (the ASX announcement of 18 April 2005 refers).

6. Operating (Technology) Sales Revenue

Operating (technology) sales revenue from trading operations by SYNERGY's wholly owned subsidiaries Synergy Business Solutions Australia Pty Ltd and Data-**inCrypt**® Pty Ltd for the year ended 30 June 2005 increased by 3% in comparison with the previous financial year.

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	TBA
Date	TBA
Time	TBA
Approximate date the +annual report will be available	27 October 2005

Compliance statement

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.

   Identify other standards used: Nil

2. This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

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

4. This report is based on +accounts to which one of the following applies.

   (Tick one)

   ☐ The +accounts have been audited.

   ☐ The +accounts have been subject to review.

   ☒ The +accounts are in the process of being audited or subject to review.

   ☐ The +accounts have *not* yet been audited or reviewed.

5. If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available.

6. The entity does not have a formally constituted audit committee.

Sign here: .... Date: 13 September 2005
Managing Director

Print name: Ronald Moir

specialist service provider of Internet technology systems