This is Annexure A, of Pages referred to in Form FS 70, "Profit and Loss Statement and Balance Sheet"

John Corr

Tim McGowen

FORTITUDE CAPITAL PTY LIMITED

ABN 62 100 306 723

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

FORTITUDE CAPITAL PTY LIMITED
ABN 62 100 306 723

TABLE OF CONTENTS	PAGE NO.

FORTITUDE CAPITAL PTY LIMITED
ABN 62 100 306 723
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2008.

Directors

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

- Timothy McGowen		
- John Frederick Corr		
- Richard Keary	Appointed: 16/05/07	Resigned: 20/05/08
- Richard Lourey	Appointed: 30/03/07	Resigned: 16/07/07
- David Anderson	Appointed: 26/05/08	

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

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

- Timothy McGowen

Operating Results

The profit of the company for the financial year after providing for income tax amounted to:

Year ended 30 June 2008	Year ended 30 June 2007
$607,288	$492,761

Review of Operations

The company has continued its operation as a fund manager.

Significant Changes in the State of Affairs

David Anderson has been appointed as a non-executive director representing MFS Alternative Assets Ltd interests in the company.

Principal Activities

The principal activities of the company during the course of the year were investment funds management. No significant change in the nature of these activities occurred during the year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years. The company changed its principal place of business after year end. The registered office and principal place of business is:

Suite 2.02, Level 2
350 George street
Sydney NSW 2000

FORTITUDE CAPITAL PTY LIMITED
ABN 62 100 306 723
DIRECTORS' REPORT

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

Dividends paid or declared for payment are as follows:

Ordinary dividend paid on 10 December 2007 of $2.35 per share	155,287

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors' Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company or related body corporate.

Indemnifying Officer or Auditor

During or since the end of the year, the company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this directors' report for the year ended 30 June 2008.

Signed in accordance with a resolution of the Board of Directors:

Timothy McGowen	**John Frederick Corr**
Director	Director
Dated: 26/8/08	Dated: 26/8/08

PARTNERS:
Howard Badger CA
Andrew Blackwell CA
Chris Chandran CA
Michael Dundas CA
Martin Fowler CA
Stephen Humphrys FCA
Garry Leyshon FCA
Allan Mortel CA
Wayne Morton FCA
Joe Shannon CA
Robert Southwell CA
Spiro Tzannes FCA
Charlie Viola (Affiliate ICAA)
Scott Whiddett CA

Auditor's Independence Declaration

As lead auditor for the audit of Fortitude Capital Pty Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Fortitude Capital Pty Limited.

CHRIS CHANDRAN
Partner
MOORE STEPHENS SYDNEY

Dated in Sydney this 26th day of August 2008

Moore Stephens Sydney ABN 90 773 984 843
Level 7, 20 Hunter Street, Sydney NSW 2000
GPO Box 473, Sydney NSW 2001
Telephone: +61 2 8236 7700 Facsimile: +61 2 9233 4636
Email: sydney@moorestephens.com.au Web: www.moorestephens.com.au

FORTITUDE CAPITAL PTY LIMITED
ABN 62 100 306 723
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008	2007
		$	$
Revenue from ordinary activities	2	2,443,378	1,663,816
Accountancy fees		(19,725)	(39,960)
Administration fees		(14,578)	(72,371)
Communications expenses		(10,052)	(12,237)
Compliance services		(3,933)	(34,003)
Consulting fees		(166,445)	-
Depreciation and amortisation expenses	3	(11,150)	(6,163)
Employee benefit expenses		(1,046,912)	(568,894)
Foreign currency translation		(21,167)	(1,689)
Insurance		(5,996)	(27,464)
IT expenses		(20,141)	(9,636)
Legal fees		(40,979)	(45,687)
Occupancy expenses		(80,253)	(61,417)
Travel expenses		(19,906)	(30,005)
Other expenses		(89,561)	(54,672)
Profit from ordinary activities before income tax		**892,580**	**699,618**
Income tax expense relating to ordinary activities	4(a)	(285,292)	(206,857)
Net profit attributable to members of the company		**607,288**	**492,761**

The accompanying notes form part of these financial statements.

FORTITUDE CAPITAL PTY LIMITED
ABN 62 100 306 723
BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 $	2007 $
Current Assets			
Cash and cash equivalents	7	2,534,555	2,310,533
Trade and other receivables	8	372,796	337,524
Total Current Assets		**2,907,351**	**2,648,057**
Non-Current Assets			
Plant and equipment	9	40,325	18,829
Deferred tax asset	4(b)	15,409	4,655
Total Non-Current Assets		**55,734**	**23,484**
Total Assets		**2,963,085**	**2,671,541**
Current Liabilities			
Trade and other payables	10	134,436	374,206
Current tax liabilities	4(c)	154,160	87,529
Provisions	11	28,200	15,518
Total Current Liabilities		**316,796**	**477,253**
Total Liabilities		**316,796**	**477,253**
Net Assets		**2,646,289**	**2,194,288**
Equity			
Issued Capital	12	2,055,000	2,055,000
Retained Earnings		591,289	139,288
Total Equity		**2,646,289**	**2,194,288**

The accompanying notes form part of these financial statements.

FORTITUDE CAPITAL PTY LIMITED
ABN 62 100 306 723
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Retained Earnings	Issued Capital	Total
	$	$	$
Balance at 1 July 2006	311,002	55,000	366,002
Profit for the year	492,761	-	492,761
Issue of share capital	-	2,000,000	2,000,000
Dividends paid or provided for	(664,475)	-	(664,475)
Balance at 30 June 2007	**139,288**	**2,055,000**	**2,194,288**
Profit for the year	607,288	-	607,288
Dividends paid	(155,287)	-	(155,287)
Balance at 30 June 2008	**591,289**	**2,055,000**	**2,646,289**

The accompanying notes form part of these financial statements.

FORTITUDE CAPITAL PTY LIMITED
ABN 62 100 306 723
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008	2007
		$	$
Cash Flows From Operating Activities			
Receipts from customers		2,308,420	1,647,481
Payments to suppliers and employees		(1,801,780)	(1,039,096)
Interest received		134,731	41,917
Income tax paid		(229,415)	(266,011)
Net cash flows from operating activities	17(b)	**411,956**	**384,291**
Cash Flows From Investing Activities			
Purchase of plant and equipment		(32,647)	(6,462)
Net cash flows used in investing activities		**(32,647)**	**(6,462)**
Cash Flow from Financing Activities			
Dividend paid		(155,287)	(327,000)
Proceeds from issue of shares		-	2,000,000
Net cash flows (used in)/from financing activities		**(155,287)**	**1,673,000**
Net increase in cash		224,022	2,050,829
Cash at the beginning of the year		2,310,533	259,704
Cash at the end of the year	17(a)	**2,534,555**	**2,310,533**

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Fortitude Capital Pty Limited ("the company") as an individual entity. Fortitude Capital Pty Limited is a company limited by shares, incorporated and domiciled in Australia.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Material accounting policies adopted in the preparation of the financial report are presented below. They have been consistently applied, unless otherwise stated.

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

(a) Income tax

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

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

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

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

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Income tax (continued)

realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Receivables

Trade receivable and other receivables are recorded at amounts due less any provision for doubtful debts.

(c) Payables

Payables are recognised when the company becomes obliged to make future payments resulting from the purchases of goods and services.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO are classified as operating cash flows.

(e) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, Cash and cash equivalents include cash on hand, deposits held at call with banks or other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Balance Sheet.

(f) Employee Benefits

Liabilities for employee benefits for wages, salaries and annual leave represent obligations resulting from employee's services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including on-costs, such as workers compensation and payroll tax.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

(g) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Plant and Equipment

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

Plant and equipment

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to Fortitude Capital Pty Limited commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Asset	Depreciation Rate
Computers	25 – 50 %
Furniture	7.50 – 15 %
Phone System	7.50 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(i) Leases

Leases of fixed assets where substantially all the risks and benefits to the ownership of the asset, but not the legal ownership that are transferred in the company are classified as finance leases.

Finance Leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Foreign Currency Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

(l) Comparative Figures

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

(m) Application of New Accounting Standards and Interpretations

Certain Australian Accounting Standards have recently been issued or amended but do not have mandatory application for 30 June 2008 reporting periods. The directors' assessment of the impact of the new standards and interpretations will not affect any of the amounts recognised in the financial statements.

(n) Critical accounting estimates and judgments

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

Key estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of assets for the year ended 30 June 2008.

Key judgments — Provision for impairment of receivables

There is no provision for impairment of trade receivable at 30 June 2008 and the directors believe that all amounts are recoverable.

	2008	2007
	$	$

NOTE 2: REVENUE

	2008 $	2007 $
Operating Activities:		
- Rendering of services	2,308,647	1,621,899
- Interest revenue	134,731	41,917
	2,443,378	**1,663,816**

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

	2008 $	2007 $
Expenses:		
Depreciation of non-current assets:	11,150	6,163
Rental expense on operating leases		
- minimum lease payments	80,253	61,417
Remuneration of the auditors for:		
- Audit services	16,000	18,018

NOTE 4: TAXATION

(a) Income Tax Expense

	2008 $	2007 $
The major components of income tax expense are:		
Current Income tax charge	274,374	207,743
Adjustment in respect of current income tax of previous years	21,672	-
Deferred tax: relating to origination and reversal of temporary differences	(10,754)	(886)
	285,292	**206,857**

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2008 $	2007 $
Prima facie tax payable on profit from ordinary activities before income tax @ 30% (2007: 30%)	267,775	209,885
Expenditure not allowable for income tax purposes	6,599	(2,142)
Adjustment in respect of current income tax of previous years	21,672	-
Deferred tax: relating to origination and reversal of temporary differences	(10,754)	(886)
	285,292	**206,857**
The applicable weighted average effective tax rates are as follows:	31.9%	29.5%

	2008	2007
	$	$
NOTE 4: TAXATION (continued)		
(b) Deferred Tax Assets		
Provisions	10,181	4,655
Expenditure not allowable for income tax purposes	5,228	-
	15,409	**4,655**
Movement in deferred tax assets		
Balance at the beginning of the year	4,655	5,541
Charged to income statement	10,754	(886)
	15,409	**4,655**
(c) Current Tax liabilities		
CURRENT		
Income tax	**154,160**	**87,529**

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel of the company consists of the directors and company secretary as detailed below with the aggregate compensation paid or payable for the year:

	Salaries & Wages $	Super-annuation $	Bonus $	Non cash benefits $	Total $
2008					
Total compensation	331,312	47,768	201,834	-	580,914
2007					
Total compensation	275,236	64,771	-	-	340,007

(a) Directors

Timothy McGowen (also Company Secretary)
John Frederick Corr
David Anderson

(b) Key Management Personnel

There are no other key management personnel of the company.

	2008	2007
	$	$

NOTE 6: DIVIDENDS

Dividend paid: ordinary dividend of $2.35 per share (2007: 5.95 per share)	155,287	327,000
Dividend declared: ordinary dividend of $- per share (2007: 6.136)	-	337,475
	155,287	**664,475**
Franking credits available to the shareholders of the company for subsequent financial years.	445,663	167,730

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at bank	2,534,555	2,310,533

The weighted average interest rate for cash assets as at 30 June 2008 is 6.00% p.a. (2007 :5.00%)

NOTE 8: TRADE AND OTHER RECEIVABLES

Current		
Trade debtors	331,574	331,348
Office bond	19,054	6,176
Prepayments	22,168	-
	372,796	**337,524**

Trade debtors are unsecured and non-interest bearing.

NOTE 9: PLANT AND EQUIPMENT

Plant and equipment:		
- At cost	65,298	32,652
- Less: Accumulated depreciation	(24,973)	(13,823)
	40,325	**18,829**

Reconciliation of movements in plant and equipment		
Carrying amount at beginning of the year	18,829	18,530
Additions	32,646	6,462
Depreciation	(11,150)	(6,163)
Carrying amount at the end of the year	40,325	18,829

	2008	2007
	$	$
NOTE 10: TRADE AND OTHER PAYABLES		
Unsecured:		
- Trade creditors	-	3,052
- Accrued expenses	42,432	19,582
- Sundry accruals	92,004	14,098
- Provision for dividends	-	337,474
	134,436	**374,206**

All trade and other payables are unsecured and non-interest bearing.

NOTE 11: PROVISIONS

	2008	2007
Current		
Employee entitlements	28,200	15,518

NOTE 12: ISSUED CAPITAL

	2008	2007
55,000 (2007: 55,000) Ordinary shares at $1.00 each fully paid	55,000	55,000
11,000 (2007: 11,000) Ordinary shares at $181.8182 each fully paid	2,000,000	2,000,000
Total	**2,055,000**	**2,055,000**

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

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 13: CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Rent of office premises
Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2008	2007
Payable – minimum lease payments		
- not later than 1 year	149,707	18,781
- later than 1 year but not later than 5 years	284,167	-
Total	433,874	18,781

The property lease is a non-cancellable lease of three years with rent payable monthly in advance.

NOTE 14: CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities existing at year end.

NOTE 15: RELATED PARTY DISCLOSURES

(a) Directors

The names of directors who have held office during the financial year are Mr. Timothy McGowen, Mr. John Frederick Corr, Mr Richard Lourey, Mr Richard Keary and Mr David Anderson.

(b) Director and Director-Related Entity Transactions with the Company

(i) The direct and beneficial holdings of directors in the shares of the company as at 30 June 2008 were 39,600 fully paid ordinary shares (2007: 39,600).

(ii) Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.

NOTE 16: EVENTS AFTER BALANCE SHEET DATE

The directors are not aware of any events since the year end that will impact the financial report either materially or by nature.

NOTE 17: CASH FLOW INFORMATION

(a) Cash at the end of the year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2008	2007
	$	$
Cash at bank	2,534,555	2,310,533

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

	2008	2007
Profit after tax	607,288	492,761
Non-cash items:		
Depreciation	11,150	6,163
Increase/(decrease) in provision for income tax	66,632	(60,051)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(35,272)	(35,555)
(Increase) decrease in deferred tax assets	(10,754)	-
Increase (decrease) in trade creditors and accruals	19,798	(33,096)
Increase (decrease) in other creditors	77,906	-
Increase (decrease) in sundry provisions	(324,792)	14,069
Net cash provided by operating activities	**411,956**	**384,291**

NOTE 18: SEGMENT REPORTING

The company operates in the funds management segment in Australia.

NOTE 19: FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

The company's accounting policies are included in Note 1, while the terms and conditions of each class of financial assets, financial liability and equity instrument, both recognised and unrecognised at the balance date, are under the appropriate note for that instrument.

(b) Interest Rate Risk

The Company is exposed to various risks from fluctuations in market interest rates, which impact both on its financial position and cash flows.

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount of those assets, net of any provision for doubtful debts for those assets, as disclosed in the balance sheet and notes to the financial statements.

(d) Net Fair Value

The carrying amounts of financial instruments in the balance sheet approximate their net fair values.

(e) Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.
The company does not have a financial risk management strategy but the directors seek to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

NOTE 20 : COMPANY DETAILS

The registered office and principal place of business of the company is:

Fortitude Capital Pty Ltd.
Suite 2.02, Level 2
350 George street
Sydney NSW 2000

FORTITUDE CAPITAL PTY LIMITED
ACN 100 306 723
DIRECTORS' DECLARATION

The directors of Fortitude Capital Pty Limited declare that:

1. the financial statements and notes as set out on pages 6 to 19 are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the company.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Timothy McGowen
Director

Dated this 26 day of August 2008

John Frederick Corr
Director

Dated this 26th day of August 2008

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORTITUDE CAPITAL PTY LIMITED

We have audited the accompanying financial report of Fortitude Capital Pty Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

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

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Auditor's Opinion

In our opinion, the financial report of Fortitude Capital Pty Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Moore Stephens Sydney

MOORE STEPHENS SYDNEY
Chartered Accountants

C. CHANDRAN
Partner

Dated in Sydney this 26th day of August 2008