Full Financial Report

for the Financial Year ended 30 June 2009

Talent2 International Limited
ABN 19 000 737 744

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Table of Contents

Corporate Governance Statement

The Board of Directors ("the Board") is responsible for the corporate governance practices of Talent2 International Limited ("the Company") and its controlled entities. As with all its business activities, the Company is proactive in relation to corporate governance and puts in place those arrangements that it believes are in the best interests of the Company and its shareholders. It actively reviews corporate governance developments in Australia and overseas, and where appropriate, modifies its policies and practices to comply with best practice.

ASX Corporate Governance Council Corporate Governance Principles and Recommendations

As at the date of this report, the Company complies with most ASX Corporate Governance Council Corporate Governance Principles and Recommendations 2nd edition ("ASX Recommendations") and reasons and explanations are provided below for any departures from them.

The Company has posted copies of its charters and policies on its website www.talent2.com ("Talent2 website") in compliance with the ASX Recommendations.

Responsibilities of the Board

The Board has adopted a formal charter that sets out the responsibilities reserved by the Board. This charter is reviewed annually to ensure it remains consistent with accepted practice in the context of the Board's objectives and responsibilities.

The role of the Board is:

> to bring an independent and objective view to the Company's decisions; and

> to oversee the performance and activities of management.

The Board's primary functions are to:

> establish Talent2's strategic vision, values and ethical standards;

> delegate appropriate authority and responsibilities to the Executive Management team;

> ensure a commercial focus, establish a platform for sustainable growth and deliver long term value to shareholders;

> maintain high standards of legal and regulatory compliance; and

> ensure effective controls are in place to protect Talent2's assets and to minimise vulnerabilities and risk.

The Board's responsibilities are to:

> uphold the standards of the Talent2 Constitution including the rules governing changes to its constitution;

> report to shareholders at an Annual General Meeting at least once every year;

> determine Talent2's ongoing capital management needs including new share issues and the payment of dividends;

> approve and monitor progress of major investments, acquisitions and divestitures;

> set appropriate remuneration policies;

> appoint, set criteria and monitor the ongoing performances of the Executive Management team including the Managing Director; and

> appoint the external auditor and other advisors it deems appropriate.

The Board may delegate any of its responsibilities to its various committees. All matters not specifically reserved for the Board and necessary for the day to day management of the Company are delegated to the Managing Director and the Executive Management team.

Directors may enter into arrangements with the Company, individually or through their companies, including acting in a professional capacity for the Company. These arrangements are subject to the restrictions of the Corporations Act 2001.

Composition of the Board

The Board believes that its membership should comprise directors with an appropriate mix of skills, experience and personal attributes that allow the Board collectively to discharge their duties, understand the business risks and enhance the Company's opportunities and vision. As at the date of this Report, the Board consists of seven directors; one executive director and six non-executive directors.

The Chair of the Board, Ken Allen, is an independent director in compliance with ASX Recommendations. He was appointed a director and Chair on 4 October 2006.

The executive director is the Managing Director, Andrew Banks.

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Directors' Report.

Independence of Directors

With reference to the ASX Recommendations, as at the date of this report, the following Directors are considered to be independent Directors of the Company:

- Ken Allen
- Ken Borda
- Pam Laidlaw
- Hans Neilson
- Mary Beth Bauer

Upon appointment to the position of Director, each Director is required to complete a statement of independence. This is reviewed annually to confirm continued independence. As part of their review, the Board takes regard of the definition of independence as set out in Box 2.1 of the ASX Recommendations and the Company's materiality threshold of amounts above $100,000, in relation to suppliers or contractual relationships.

Should a Director's status change during the year they are required to advise the Chair and Company Secretary immediately. Where appropriate the Company Secretary then notifies the change directly to the ASX.

With the prior approval of the Chair, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Evaluation of the Performance of Board, its Committees and each Director

The Board, through the Chair, undertakes an annual assessment of the performance of the Board as a whole, including its committees, individual Directors and governance processes. The review measures Board performance, Committee performance and individual director performance against both qualitative and measurable indicators including those set out in the:

> Code of Conduct;

> Board Charter;

> Committee Standing Rules;

> Relevant Committee Charters; and

> Annual performance goals for the Board, individual directors and the Committees.

Performance evaluations of the Board and its members took place in accordance with this procedure during the current reporting period. The Chair met privately with each Director to discuss their individual and collective performance. The aim of this review was to establish the value and contribution that each Director brings to the Company and to ensure expertise and experience are appropriately aligned with their committee memberships. The Board is confident that it contains an appropriate level of expertise, entrepreneurial capacity and governance experience.

Senior Executive Performance Evaluation

The Remuneration Committee takes an active role in reviewing the performances of all Senior Executives and is responsible for recommending to the Board for approval of remuneration for the Managing Director, Chief Executive Officer and Chief Financial Officer. As at the date of this report the performance of all Senior Executives of the Company has been reviewed against specified qualitative and measurable indicators and in accordance with the procedures specified in the Performance Evaluation Policy published on the Talent2 website.

Share Trading Policy

The Company takes seriously its responsibility to ensure that public confidence is maintained through the adoption of a formal trading policy governing trading in the Company's securities by "potential insiders". The policy dictates specific periods during the year when employees and family members are able to trade in the Company's securities. This is monitored by the Company Secretary through regular a review of trading in the Company's securities, additionally all significant trades are reported to the Board. Any trading out side of the specified periods requires prior approval of the Company Secretary and a confirmation that the party is not privy to price sensitive information that is not generally available to the market.

The share trading policy is published on the Talent2 website.

Audit and Risk Committee

The Company has an Audit and Risk Committee under the authority and governance of the Company's Audit and Risk Committee Charter, approved by the Board. This committee consists of three non-executive directors, all of whom are independent.

The Chair of the Audit and Risk Committee is Pam Laidlaw, an independent non-executive director. The other members of this Committee are Hans Neilson and Mary-Beth Bauer. The qualifications and responsibilities of the members of the Audit and Risk Committee are set out in the Directors' Report.

The Audit and Risk Committee meets at least twice annually, with authority to convene additional meetings as circumstances require. Its responsibilities include:

> Reviewing of management information systems and systems of internal control;
> Reviewing of the external audit function including the audit plans and audit reviews;
> Reviewing of financial reports prior to their approval by the Board;
> Monitoring financial and liquidity aspects of the Company's activities;
> Requiring the Chief Executive Officer and the Chief Financial Officer to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
> Requiring the Chief Executive Officer and Chief Financial Officer to state in writing to the Board that their statement regarding the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the risk management system is operating efficiently and effectively in all material respects;
> Reviewing of the systems for monitoring the Company's compliance with laws and regulation; and
> Consideration and investigation of financial and operational risks identified by management and the external auditors.

The Audit and Risk Committee has appointed a sub committee to establish policies as to risk oversight as well as the design and implementation of a risk management and internal control system to manage material business risks. Additionally, reporting on the risk management and internal control system is made to the Board by the Chief Executive Officer and Chief Financial Officer as part of their annual statement representing that the financial report presents a true and fair view. The Audit and Risk Committee also regularly reviews the policies in consideration of changing circumstances.

On a regular basis, the Chair of the Audit and Risk Committee is required to meet separately with the external auditors to discuss any matter that either believes should be discussed privately. In addition, the external auditor is requested to attend all shareholder meetings of the Company, including the annual general meeting, to be available to answer shareholder questions regarding the conduct of the audit and the preparation and content of the auditor's report.

The number of Audit and Risk Committee meetings and attendance at those meetings are set out in the Directors' Report. The Audit & Risk Committee Charter is published on the Talent2 website.

Continuous Disclosure

The Company has a formal Continuous Disclosure policy which provides guidance to the Board and senior executives to ensure:

> Full and timely disclosure of Talent2's activities to shareholders and the market;
> Equal opportunity for all stakeholders to receive and obtain externally available information issued by Talent2;
> Compliance with all applicable laws and regulations; and
> Disclosure in accordance with "best practice".

Remuneration Committee

The Company has a Remuneration Committee under the authority and governance of the Company's Remuneration Committee Charter, approved by the Board. The Committee reviews and advises the Board on remuneration policies which will best support the long-term performance objectives of the Company. The Company maintains a policy of remuneration based on goal congruence between shareholders, Directors and senior executives. Further details regarding the Company's remuneration policies are outlined in the Remuneration Report within the Directors' Report and the Remuneration Committee Charter is published on the Talent2 website.

This committee currently consists of three non-executive directors, of which two are independent. Hans Neilson, who is an independent director, is currently the Chair of this Committee. The other members include Geoff Morgan and Pam Laidlaw. This is in accordance with the ASX Recommendations which recommends that a majority of members be independent and the chair be independent.

The Board considers the composition of the Remuneration Committee to be appropriate at this stage given the size of the Company, the extent of its operations and the qualifications of its members.

The Remuneration Committee's responsibilities include:

> The establishment and review of appropriate remuneration and incentive plans for all directors and executive employees; and

> The establishment and granting of all equity based incentive plans including the Directors, Executive and Employee Share Option Plan.

There are no schemes for retirement benefits other than statutory superannuation for non-executive Directors.

The number of Remuneration Committee meetings and attendance at those meetings are set out in the Directors' Report.

Nomination Committee

The Company has a Nomination Committee under the authority and governance of the Company's Nomination Committee Charter, approved by the Board. This Committee currently consists of all Directors, five of whom are independent. The Nomination Committee Charter is published on the Talent2 website. The Nomination Committee:

> Reviews current and desirable competencies of the Board;

> Evaluates Board performance;

> Recommends the appointment and removal of Directors based on their performance review and assessment of competencies; and

> Manages the Board succession plan.

The Nomination Committee does not meet separately, with any relevant matters being attended to in regular meetings of the full Board, as described in the Directors' Report.

International Business Development Committee

During the year the Company formed the International Business Development Committee. This committee is tasked with determining the strategic direction of the Company's offshore expansion and identifying future opportunities in regional markets. This committee is chaired by Ken Borda and consists of Geoff Morgan and Andrew Banks, Company CEO, John Rawlinson and is regularly attended by the Company's Chair.

The International Business Development Committee meets at least twice annually, with authority to convene additional meetings as circumstances require.

Acquisitions Committee

During the year the Company formed the Acquisitions Committee. The responsibilities of this committee are to identify potential acquisition opportunities, assess them against the Company's acquisition criteria, determine the appropriate funding mix and if these criteria are met, present them to the full Board for consideration and approval. The Committee is chaired by the Company Chair Ken Allen and includes Ken Borda, Pamela Laidlaw, Andrew Banks, Company CEO John Rawlinson and Company CFO Martin Brooke.

The Acquisitions Committee meets at least twice annually, and as required.

Code of Conduct

As part of the Board's commitment to the highest standard of conduct, the Company adopts a code of conduct to guide Directors, Executives, Management and employees in carrying out their duties and responsibilities. The code of conduct covers:

> Responsibilities to shareholders and the community;

> Responsibilities to customers;

> Responsibilities to employees;

> Privacy;

> Conflicts of interest;

> Gifts and entertainment;

> Confidentiality;

> Fair dealing;

> Protection of and proper use of company assets;

> Compliance with laws and regulations; and

> Reporting of unlawful or unethical behaviour and compliance with the code.

The Code of Conduct is published on the Talent2 website.

Directors' Report

Your directors present their Full Financial Report on the Company and its controlled entities (the consolidated entity) for the financial year ended 30 June 2009.

Directors

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

Ken Allen AM
Chair (Non-Executive)

Ken has extensive international investment banking experience. He is currently a Senior Advisor to UBS Australia and Lexington Partners and Chairman Emeritus of Advance, the world's leading network of Australian professionals and entrepreneurs abroad. Prior to returning to Sydney in April 2006, Ken was the Australian Consul General in New York and was responsible for representing Australian interests in the United States. His major focus was the facilitation of US direct investment in Australia and the negotiation of the Australian American Free Trade Agreement. Prior to that, Ken held senior positions in the UK, USA and Australia with the World Bank and other Investment Banks, including Merrill Lynch, County NatWest and Macquarie Bank. Ken holds a Bachelor of Economics (Hons) from the University of Adelaide. He is a board member of the Australian Chamber Orchestra and has served on the boards of the NSW Treasury Corporation, Film Finance Corporation, the State Bank of NSW and Australia Post.

Ken joined the Talent2 Board as Chair in October 2006. He is also currently Chair of the Nominations Committee and the Acquisitions Committee. He has not held any directorships in any other listed companies in the prior three years.

Mary Beth Bauer
Deputy Chair (Non-Executive)

Mary Beth brings to the Talent2 Board extensive experience in corporate finance, investor relations and mergers and acquisitions. In addition to her corporate financial expertise, Mary Beth is also founder and Managing Director of Value Enhancement Management Pty Ltd, the leading provider of strategic stakeholder solutions. Mary Beth previously held senior executive investor relations positions with Coles Myer and Mayne Nickless and was recently appointed to the board of the Queen Elizabeth Centre of Victoria. Her credentials include a Bachelor of Economics (University of California), Australian Chartered Accountant, Certified Public Accountant (US) and fellow of the Australian Institute of Company Directors.

Mary Beth joined the Talent2 Board in November 2001, and served as Talent2's Chair between 2002 and 2006. She is currently a member of the Remuneration Committee, the Nominations Committee and the Audit and Risk Committee. She has held no directorships in other listed companies in the prior three years.

Andrew Banks
Managing Director (Executive)

Andrew provides the Board with more than 20 years' experience in managing service businesses across the Asia Pacific region, and is widely regarded as a dynamic thought leader in the area of human capital management. Andrew is an active principle of Morgan & Banks Investments, one of Talent2's significant shareholders. In partnership with fellow director Geoff Morgan, he built up the Morgan & Banks recruitment business to generate more than A$700 million in sales before it was sold to TMP/Monster.com in 1999.

Andrew has been a Talent2 Board member since September 2002. He is the Company's Managing Director and a member of the Nominations Committee, Acquisitions Committee and International Business Development Committee. He has held no directorships in other listed companies in the prior three years.

Ken Borda
Director (Non-Executive)

Ken's investment banking career spans more than twenty years in Australia, Asia, the Middle East and North Africa. He is now based in Asia. For 18 years, Ken held senior positions with Deutsche Bank, most recently in Dubai as Chief Executive of MENA (Middle East North Africa), before retiring in April 2007. During his tenure, the Bank transitioned from an offshore banking presence to a significant onshore platform with branches in the Kingdom of Saudi Arabia, Qatar and Dubai. From 1999 to 2002 Ken was Deutsche Bank's CEO Australia and New Zealand based in Sydney, before moving to Hong Kong as CEO Asia Pacific. He has degrees in Arts and Law from the University of New South Wales.

Ken was appointed to the Talent2 Board in August 2008 and he is Chair of the International Business Development Committee and member of the Acquisitions Committee and the Nomination Committee. Ken has held a number of board positions and in February 2009 Ken joined the Asia Pacific advisory board of Aviva Pte Ltd as well as joining the Aviva board of directors and audit committees in Hong Kong and Singapore. Ken is currently a director of Santos Limited (appointed 14 February 2007); Fullerton Funds Management, an Asian asset management fund owned by Temasek in Singapore; Ithmaar Bank, a listed investment and commercial bank based in Bahrain; and Leighton Contractors Pty Limited.

Pam Laidlaw
Director (Non-Executive)

Pam has extensive experience in finance, formerly as Group Finance Director of Morgan & Banks. Previous positions were with Oligilvy & Mather in Sydney and Price Waterhouse in Sydney and New York. Pam holds a Bachelor of Business Administration (University of New York) and qualified as a Certified Public Accountant (New York, USA)

Pam joined the Talent2 Board in March 2008 and is Chair of the Audit and Risk Committee as well as a member of the Remuneration Committee, Nominations Committee and Acquisitions Committee. Pam is also on the Board of the Eye Foundation which is the medical eye specialists' foundation, dedicated to restoring sight and preventing vision loss throughout Australasia. She has held no directorships in other listed companies in the prior three years.

Geoff Morgan
Director (Non-Executive)

Geoff has more than 30 years' experience in sales and marketing as well as global experience in all aspects of human capital services. He is currently Chairman of Morgan & Banks Investments Pty Ltd. Prior to this role, he was regional Chairman for TMP Worldwide. Along with his partner, Andrew Banks, he was a director of Morgan & Banks Limited from its inception through to its sale to TMP/Monster.com in 1999. Geoff and Andrew have co-authored four books on recruiting and in 2004 were the recipients of the Ernst & Young "Master Entrepreneur of the Year" Award for sustained success in business.

Geoff has been a Talent2 Board member since September 2003. He is a member of the Remuneration Committee, Nominations Committee and International Business Development Committee. He is a board director of several unlisted companies including, The Australian Motor Sport Foundation, The Heat Group and LinkMe Pty Limited. He was also a director of Allco Equity Partners Limited between 17 November 2004 and 25 July 2007.

Hans Neilson
Director (Non-Executive)

Hans has extensive international information technology and human resource experience. He joined Hewlett Packard in 1976 and held numerous positions including Interim Managing Director Australia and Managing Director New Zealand. Prior to retiring from Hewlett Packard he was Vice President, leading its Human Resources function for the Technology Solutions Group in Asia Pacific. He was also a director for Hewlett Packard Australia and New Zealand from 1987 to 2006. For over ten years Hans was an evaluator for the Australian Quality Awards and a member of the Victorian State Committee for the Australian Quality Council. Hans has participated in numerous community and industrial forums, and holds a Bachelor of Engineering from Victoria University of Technology (Vic).

Hans joined the Talent2 Board in August 2006 and is the Chair of the Remuneration Committee and a member of the Nominations Committee and the Audit and Risk Committee. He has held no directorships in other listed companies in the prior three years.

Albert "Bud" Hawk
Director (Non-Executive), resigned 1 August 2008

Residing in the United States, Bud has significant expertise in the human resources services sector overseas. He is a co-founder and Managing Partner of Corstone Capital Corporation, a private-equity firm headquartered in Washington, DC that specialises in high growth investments and services. He is also Chairman of InterPro Holdings Inc, (a significant shareholder of Talent2), which is an international business process outsourcing company with principal operations in Europe, India, China and Singapore. InterPro also operates under the trade name "PayStaff", and it is one of the largest human resources business process outsourcing companies in the US.

Bud joined the Talent2 Board in October 2005. He was a member of the Nominations Committee up to the date of his resignation from the Board. He has a law degree from the American University, has chaired various committees of the American Bar Association and is a renowned speaker before business groups. He has held no directorships in other listed companies in the prior three years.

John Rawlinson
Chief Executive Officer

John has over 20 years' experience across nearly all areas of recruiting and human resources, in particular business to business sales and marketing, as well as the design and development of outsourced HR solutions. He started his career at Morgan & Banks where he was a former Director of Victorian Operations before being appointed founding CEO of the specialist IT&T recruitment company MBT. In 2001 he moved to the United States with TMP Worldwide as Executive VP Sales and Marketing. John holds a Bachelor of Education from Victoria University and a Graduate Diploma in Entrepreneurship and Innovation from Swinburne University.

As the founding Chief Executive Officer of Talent2 since 2003, John has led the Company's rapid growth to annual revenues of more than $220 million.

Martin Brooke
Chief Financial Officer

Martin has over 15 years' experience in senior financial positions both within the accounting profession and the human resources industry. Prior to joining Talent2 in June 2003, Martin held the position of Group Controller Asia Pacific for TMP Worldwide, with responsibility for the group's finance team throughout the region. Martin has a BA in Accounting (University of Kent, Canterbury) and is a member of the Institute of Chartered Accountants in England and Wales.

As Chief Financial Officer, Martin has responsibility for all finance and accounting matters and the Group's IT infrastructure.

David Patteson
Company Secretary

David has over 13 years' experience in various tax and financial accounting positions in a broad range of industries. He is an Australian Chartered Accountant and has a Bachelor of Business (Accounting, Human Resource Management) (Charles Sturt University) and a Diploma of Applied Finance and Valuation (Financial Services Institute of Australasia).

Principal Activities

The principal activities of the consolidated entity during the financial year were the development, sale and support of people management and eLearning software, executive recruitment and contracting, training administration and the provision of human resources managed services solutions. There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

Operating Results

The consolidated entity reported:

> revenue of $229 million;

> earnings before interest, taxation, depreciation and amortisation (EBITDA) and impairment of $10.5 million; and

> consolidated loss, after providing for income tax, of $7.5 million.

Dividends

The Board has not declared a dividend for the year ended 30 June 2009.

A 90% franked dividend of 4.5c per share for the year ended 30 June 2008 was paid on 10 September 2008 amounting to $5.6 million.

Review of Operations

> The consolidated entity reported revenue of $229.0m, and EBITDA of $10.5m. Whilst revenue is steady compared to the year ended 30 June 2008, EBITDA is down 48%, primarily reflecting the impact of the global financial crisis on the market for permanent recruitment.

> Following a review of the carrying value of acquired intangible assets at the reporting date, the consolidated entity has recorded an impairment charge of $6.5m for the year. The impairment charge relates to the consolidated entity's investment in Hong Kong, the United Kingdom and India, and arises due to the shortfall in discounted cash flows generated by the underlying business when compared to the carrying value of the acquired intangible assets.

> A strong focus on cash collections saw the consolidated entity generate operating cash of $12.7m in the year, up from $11.9m in the previous financial year. The cash position remains strong with $21.0m in the bank at 30 June 09.

> Debt levels remain relatively low at just $16.7m with the year on year increase impacted by movement in foreign currency exchange rates ($2.4m) and additional borrowings to fund acquisitions ($1.7m).

> EPS fell from 7.63c in 2008 to a loss of 6.00c in the current year and the adjusted EPS before the amortisation of acquired identifiable intangible assets and impairment decreased from 9.8 cents in 2008 to 1.7 cents in 2009.

The consolidated entity made one acquisition during the year, the Learning Group a specialist e-learning development and learning service company.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may have significant affect on the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future Developments, Prospects and Business Strategies

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results from those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Environmental Issues

The consolidated entity's operations are not subject to significant environmental regulations in any jurisdiction in which they operate.

Remuneration Report

This report details the nature and amount of remuneration received by all personnel of the consolidated entity considered to be key management personnel.

(i) Remuneration policy

The remuneration policy of the consolidated entity has been designed to align the key management personnel's objectives with shareholder and business objectives by providing a fixed remuneration component, a variable remuneration component and sometimes long-term incentives based on the consolidated entity's financial results and share price. The Board of the Company believes the remuneration policy to be appropriate and effective in it's ability to attract and retain the best directors and key management personnel to run and manage the consolidated entity, as well as create goal congruence between directors, key management personnel and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the consolidated entity is set out below.

The remuneration policy, setting the terms and conditions for the executive directors and other key management personnel, was developed by the Remuneration Committee and approved by the Board. All key management personnel receive a base salary package (which includes a minimum 9% superannuation guarantee contribution, fringe benefits and attributable fringe benefits taxation) determined on factors such as position and experience, and performance incentives. Individuals may choose to sacrifice part of their salary to increase payments towards superannuation. The executive directors and key management personnel do not receive any other retirement benefits. The Remuneration Committee reviews key management personnel packages annually by reference to the consolidated entity's performance, the key management personnel's performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of key management personnel is measured against criteria agreed annually with each key management personnel and is based predominantly on the performance of the consolidated entity and growth in shareholder value. All bonuses and incentives are linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, options and performance rights, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to performance criteria. The policy is designed to attract the highest calibre of key management personnel and reward them for performance that results in long-term growth in shareholder wealth.

All remuneration paid to key management personnel is valued at the cost to the consolidated entity and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the binomial methodology. Performance rights issued during the previous period were valued using the share price at the grant date adjusted for the present value of estimated dividends during the vesting period and adjusted for the probability of achievement of vesting conditions.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. In accordance with Rule 7.3(a) of the Company's Constitution and ASX Listing Rule 10.17, the maximum aggregate amount available for non-executive Directors' fees is initially approved by shareholders and any subsequent adjustment requires further shareholder approval at the Company's Annual General Meeting. Independent external advice is sought when required. Standard fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the director share option plan.

(ii) Performance based remuneration

As part of each executive directors' and key management personnel's remuneration package there is a performance-based component, based on achievement of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between directors / key management personnel with that of the business and shareholders. The KPIs are set annually, with consultation with directors / key management personnel to ensure buy-in. The measures are specifically tailored to the areas each director / key management personnel is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for the consolidated entity's expansion and profit, covering financial and non-financial as well as short- and long-term goals.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the consolidated entity's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, the Board and senior management base the assessment on management accounts that form the basis for audited figures.

In the prior year, the Board introduced a new long term incentive plan consisting of a combination of performance rights and options. Under the terms of the plan, performance rights and options vest to recipients based on the achievement of certain performance conditions.

The performance conditions applicable to the performance rights and options are measured over a period of 5 years from the date of grant and include both the growth in the consolidated entity's earnings per share (EPS) and the satisfaction of individually determined KPIs over the relevant performance period. 50% of any performance rights and options granted are awarded on the EPS condition being achieved and 50% on the KPI condition.

In addition to the performance conditions being achieved, the performance rights and options will only vest if the employees are still employees at the date upon which the employee becomes fully entitled to the performance rights and options under the plan.

In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted during the year. Although the fair value of the equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period, the fair value determined at grant date is disclosed as remuneration in the year of grant. The amounts included under performance rights on page 18 represent the fair value at the grant date of the performance rights and options that may vest to the individual over the next five years. The amounts included as remuneration are not necessarily indicative of the benefit (if any) that individual key management personnel may ultimately realise should the equity instrument vest.

(iii) Company performance, shareholder wealth and directors' and key management personnel remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and key management personnel. There have been two methods applied in achieving this aim, the first being a performance bonus based on key performance indicators, and the second being the issue of performance rights and options to the key management personnel to encourage the alignment of personal and shareholder interests. The consolidated entity believes this policy to have been effective in increasing shareholder wealth over the past five years.

The following table shows the gross revenue and profits for the last five years for the listed entity and earnings per share (EPS), as well as the share price and market capitalisation at the end of the respective financial years. The consolidated entity is not immune from the overall downturn in the world share market and was exposed to a sharp decline in the share price during the year. The Board is of the opinion that the previously described remuneration policy will support the consolidated entity in achieving the level of growth and shareholder return experienced in previous financial years.

	2005	2006	2007	2008	2009
Revenue	$60.3m	$99.6m	$153.4m	$229.3m	$229.0m
Net Profit / (Loss) before income tax	$4.19m	$5.16m	$9.83m	$13.13m	($5.47m)
EPS	5.1 cents	3.3 cents	5.71 cents	7.63 cents	(6.00 cents)
Adjusted EPS*	3.6 cents	5.1 cents	7.56 cents	9.75 cents	1.71 cents
Share Price at year-end	$1.29	$1.30	$2.85	$1.13	$0.83
Market capitalisation at year end	$133.9m	$152.7m	$342.7m	$139.1m	$105.2m

* Adjusting for amortisation of acquired identifiable intangible assets and impairment AIFRS

(iv) Key management personnel remuneration policy

The consolidated entity's policy for determining the nature and amount of remuneration of board members and other key management personnel of the consolidated entity is as follows:

The remuneration structure for key management personnel, including executive directors, is based on a number of factors, including position, particular experience of the individual concerned, and overall performance of the consolidated entity. The contracts for service between the consolidated entity and parent entity directors and other key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement, specified key management personnel are paid employee benefit entitlements accrued to the date of their retirement. The consolidated entity may terminate the respective contracts without cause by providing 1-3 months written notice or making payment in lieu of notice based on the individual's annual salary component together with a standard redundancy payment calculation applicable to all the consolidated entity's employees. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the consolidated entity can terminate employment at any time. Any options or performance rights not vested before or on the date of termination will lapse.

The group seeks to emphasise payment for results through providing various cash bonus reward schemes. Specifically, the incorporation of incentive payments based on the key performance indicators such as sales targets and operating profits. Bonuses included are based on these targets. The objective of the reward schemes is to both reinforce the short and long-term goals of the consolidated entity and to provide a common interest between management and shareholders. Bonuses were granted to both parent entity directors and other key management personnel on 11 August 2009. There has been no alteration to the terms of the bonuses paid since grant date.

Names and positions held of other key management personnel in office at any time during the financial year or comparative year are:

John Rawlinson	Chief Executive Officer
Martin Brooke	Chief Financial Officer
Paul Jury	National General Manager, Recruitment Australia / New Zealand
Eileen Aitken	Regional Director, HRIS and Payroll Services
David Patteson	Company Secretary (appointed 12 February 2008)
Michael Bermeister	Company Secretary (resigned 12 February 2008)

Cash Based Payments

		Cash, Salary and Commissions	Superannuation	Cash Bonus	Total
		$000	$000	$000	$000
Directors					
Ken Allen	2009	88	8	-	96
	2008	88	8	-	96
Mary Beth Bauer	2009	76	7	-	83
	2008	76	7	-	83
Andrew Banks	2009	246	22	100	368
	2008	252	40	183	475
Ken Borda	2009	69	6	-	75
	2008	-	-	-	-
Pam Laidlaw	2009	60	5	-	65
	2008	20	2	-	22
Geoff Morgan	2009	60	-	-	60
	2008	60	-	-	60
Hans Neilson	2009	59	5	-	64
	2008	59	5	-	64
Brian Gibson	2009	-	-	-	-
(resigned 7/11/07)	2008	21	2	-	23
Albert "Bud" Hawk	2009	5	-	-	5
(resigned 1/8/08)	2008	55	-	-	55
Other Key Management Personnel					
John Rawlinson	2009	391	35	50	476
	2008	367	44	124	535
Martin Brooke	2009	275	18	40	333
	2008	257	22	86	365
Paul Jury	2009	279	14	30	323
	2008	262	13	210	485
Eileen Aitken	2009	207	13	200	420
	2008	207	13	200	420
David Patteson	2009	160	15	9	184
	2008	49	5	7	61
Michael Bermeister	2009	-	-	-	-
(resigned 12/2/08)	2008	149	10	29	188
Total Key Management	**2009**	**1,975**	**148**	**429**	**2,552**
Personnel	**2008**	**1,922**	**171**	**839**	**2,932**

Share Based Payments – Accounting Value at Grant Date

		Options	Performance Rights	Shares	Total	Performance Related
		$000	$000	$000	$000	%
Directors						
Ken Allen	2009	-	-	-	-	-
	2008	-	-	-	-	-
Mary Beth Bauer	2009	-	-	-	-	-
	2008	-	-	-	-	-
Andrew Banks	2009	-	-	-	-	27.2
	2008	-	-	-	-	38.6
Ken Borda	2009	56	-	-	56	42.6
	2008	-	-	-	-	-
Pam Laidlaw	2009	56	-	-	56	46.0
	2008	-	-	-	-	-
Geoff Morgan	2009	-	-	-	-	-
	2008	-	-	-	-	-
Hans Neilson	2009	-	-	-	-	-
	2008	-	-	-	-	-
Albert "Bud" Hawk	2009	-	-	-	-	-
(resigned 1/8/08)	2008	-	-	-	-	-
Other Key Management Personnel						
John Rawlinson	2009	414*	-	-	414	52.1
	2008	616*	727*	-	1,343	78.0
Martin Brooke	2009	131*	-	-	131	37.0
	2008	370*	363*	-	733	74.5
Paul Jury	2009	113*	-	-	113	32.8
	2008	-	465*	-	465	71.1
Eileen Aitken	2009	102*	-	-	102	38.3
	2008	-	186*	-	186	63.7
David Patteson	2009	25*	-	-	25	16.2
	2008	9*	-	-	9	22.8
Michael Bermeister	2009	-	-	-	-	-
(resigned 12/2/08)	2008	29*	-	-	29	26.8
Total Key Management	**2009**	**897***	**-**	**-**	**897**	**38.4**
Personnel	**2008**	**1,024***	**1,741***	**-**	**2,765**	**63.3**

* In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted during the year. Although the fair value of the equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period, the fair value determined at grant date is disclosed as remuneration in the year of grant. The amounts shown represent the fair value at the grant date of the options that may vest to the individual over the next four to five years. The amounts included as remuneration are not necessarily indicative of the benefit (if any) that individual key management personnel may ultimately realise should the equity instrument vest.

(v) Equity Instruments issued as part of remuneration for the year ended 30 June 2009

Equity Instruments are issued to Directors and executives as part of their remuneration. Pre-existing Director options will vest based on performance criteria linked to the entity's annual earnings per share calculations.

	Equity Instrument	Granted No.	Long Term Incentives granted as part of remuneration* $000	Total remuneration represented by an equity instrument %	Long Term Incentives exercised $000	Long Term Incentives lapsed $000	Total $000
Directors							
Ken Allen		-	-	-	-	(79)	(79)
Ken Borda		240,000	56	42.6	-	(19)	(19)
Pam Laidlaw		240,000	56	46.0	-	(19)	(19)
Mary Beth Bauer		-	-	-	-	(71)	(71)
Andrew Banks		-	-	-	-	(71)	(71)
Geoff Morgan		-	-	-	-	(71)	(71)
Hans Neilson		-	-	-	-	(79)	(79)
Albert "Bud" Hawk		-	-	-	46	(107)	(61)
		480,000	**112**	**12.0**	**46**	**(516)**	**(470)**
Other Key Management Personnel							
John Rawlinson	Options	1,000,000	414	46.5	-	(105)	(105)
	Performance Rights	-	-	-	-	(163)	(163)
Martin Brooke	Options	325,000	131	28.2	-	(63)	(63)
	Performance Rights	-	-	-	-	(81)	(81)
Paul Jury	Options	275,000	113	26.0	-	-	-
	Performance Rights	-	-	-	-	(102)	(102)
Eileen Aitken	Options	260,000	102	19.5	-	-	-
	Performance Rights	-	-	-	-	(24)	(24)
David Patteson	Options	60,000	25	11.9	-	-	-
	Performance Rights	-	-	-	-	-	-
		1,920,000	**785**	**31.2**	**-**	**(538)**	**(538)**

*Details of vesting periods and conditions are contained in the Directors report on page 14 under "Performance based remuneration"

(vi) Employment contracts of key management personnel

The employment conditions of the specified key management personnel are formalised in contracts of employment. The Managing Director, Andrew Banks, has no formal contract of employment. All key management personnel are permanent employees of the consolidated entity.

The employment contracts stipulate a one to three month resignation period. The consolidated entity may terminate an employment contract by providing written notice or making payment in lieu of notice, based on the individual's annual salary component together with a redundancy payment calculated in accordance with the consolidated entity's standard redundancy calculations applicable to all employees. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the consolidated entity can terminate employment at any time. Any options not vested before or on the date of termination will lapse.

Meetings of Directors

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

Committee Meetings

	DIRECTORS' MEETINGS		AUDIT AND RISK COMMITTEE		REMUNERATION COMMITTEE		INTERNATIONAL BUSINESS DEVELOPMENT COMMITTEE		ACQUISITIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Ken Allen	7	7	-	-	-	-	-	-	1	1
Mary Beth Bauer	7	7	2	2	4	4	-	-	-	-
Andrew Banks	7	7	-	-	-	-	3	3	1	1
Ken Borda	7	7	-	-	-	-	3	3	1	1
Pam Laidlaw	7	7	2	2	-	-	-	-	1	1
Geoff Morgan	7	7	-	-	4	3	3	3	-	-
Hans Neilson	7	7	2	2	4	4	-	-	-	-
Albert "Bud" Hawk	-	-	-	-	-	-	-	-	-	-

The Nominations Committee consists of all Board Members and matters associated with the Nominations Committee have been dealt with during normal directors' meetings.

Indemnifying Officers or Auditor

During or since the end of the financial year the Company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums.

The Company has paid premiums to insure all directors and officers 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 or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The Company is bound by confidentiality agreements and is unable to disclose any further details of the indemnity provided.

At no time has the Company given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums on behalf of the Auditor.

Options

At the date of this report, the unissued ordinary shares of Talent2 International Limited under option are as follows:

Parcel	Grant Date	Date of Expiry	Exercise Price	Number Under Option	Vested Units	Non-Vested Units
R	16-Feb-05	16-Feb-10	$1.370	72,500	72,500	-
S	24-Jun-05	24-Jun-10	$1.190	1,110,174	1,110,174	-
T	31-Jan-06	31-Jan-11	$1.050	33,500	24,500	9,000
U	15-Jun-06	15-Jun-11	$1.150	35,000	26,250	8,750
V	17-Jul-06	17-Jul-11	$1.340	964,750	451,900	512,850
W	25-Oct-06	25-Oct-11	$1.570	65,000	30,000	35,000
X	25-Oct-06	30-Jun-12	$1.570	800,000	-	800,000
Y	7-Feb-07	7-Feb-12	$1.880	25,000	12,500	12,500
Z	16-May-07	16-May-12	$2.640	37,000	18,500	18,500
A	8-Aug-07	8-Aug-12	$3.010	1,149,500	287,375	862,125
B	10-Sep-07	10-Sep-12	$2.930	784,000	-	784,000
C	5-Dec-07	5-Dec-12	$2.970	38,000	9,500	28,500
D	20-Feb-08	20-Feb-13	$2.250	94,500	23,625	70,875
E	23-Apr-08	23-Apr-13	$1.780	55,000	13,750	41,250
F	13-Aug-08	13-Aug-13	$1.250	65,000	-	65,000
G	22-Oct-08	30-Jun-12	$1.500	320,000	-	320,000
H	22-Oct-08	22-Oct-13	$1.040	3,312,995	-	3,312,995
I	12-Dec-08	12-Dec-13	$0.620	56,000	-	56,000
J	18-Feb-09	18-Feb-14	$0.630	70,000	-	70,000
K	20-Apr-09	20-Apr-14	$0.550	20,000	-	20,000
L	03-Jun-09	03-Jun-14	$0.680	5,595,000	-	5,595,000
				14,702,919	**2,080,574**	**12,622,345**

During the year ended 30 June 2009, the following ordinary shares of Talent2 International Limited were issued on the exercise of options granted under the Talent2 International Limited Employee Option Plan. No amounts are unpaid on any of the shares.

Parcel	Grant Date	Exercise Price	Number of Shares Issued
O	1-Jul-04	$0.970*	50,000
S	24-Jun-05	$1.190*	8,813
V	17-Jul-06	$1.340*	5,500
X	25-Oct-06	$1.570*	47,580
			111,893

The following shares have been issued after 30 June 2009

Parcel	Grant Date	Exercise Price	Number of Shares Issued
O	1-Jul-04	$0.970*	5,000

The following options have lapsed since 30 June 2009

Parcel	Grant Date	Exercise Price	Number of Shares Issued
O	1-Jul-04	$0.970*	648,250
Q	5-Aug-04	$1.320*	5,750
			654,000

*Exercise price reduced by $0.03 per option as a result of the November 2006 shareholder approved $0.03 equal capital reduction to all shareholders.

Performance Rights

At the date of this report, the unissued ordinary shares of Talent2 International Limited under the performance rights plan are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Rights Issue	Vested Units	Non-Vested Units
10-Sep-07	1-Aug-12	-	2,566,235	-	2,566,235

Proceedings on Behalf of the Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any part of those proceedings.

The consolidated entity was not a party to any such proceedings during the year.

Non-Audit Services

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

> all non-audit services are reviewed and approved by the Audit and Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

> the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Profession and Ethical Standards Board.

During the year ended 30 June 2009 fees in the amount of $63,000 were paid / payable to the external auditors in respect to the provision of the SAS 70 compliance certificate.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 24 and forms part of the Directors' Report.

Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and have been rounded to the nearest thousand dollars.

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

Ken Allen AM
Chairman

Andrew Banks
Managing Director

Dated this 16th day of September 2009

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Auditor's Independence Declaration
To The Directors of Talent2 International Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Talent2 International Limited for the year ended 30 June 2009, 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.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

N J Bradley
Partner – Audit & Assurance Services

Sydney, 16 September 2009

Income Statement for the year ended 30 June 2009

	Notes	Consolidated Entity		Parent Entity	
		2009 $000	2008 $000	2009 $000	2008 $000
Revenue	2(a)	228,993	229,304	11,229	16,914
Cost of rendering of services				-	
- On hired labour and advertising costs		(56,880)	(53,673)	-	-
- Outsourced services		(20,080)	(31,452)	-	-
- Distributor commissions and license fees		(615)	(1,429)	-	-
Gross profit		**151,418**	**142,750**	**11,229**	**16,914**
Other income	2(b)	-	878	-	217
Employee benefits expense		(112,984)	(99,853)	(2,033)	(3,853)
Operating lease rental expense	3	(14,833)	(10,717)	-	(155)
Advertising and marketing expense		(2,687)	(3,045)	(238)	(169)
Amortisation of acquired intangible assets	3	(4,510)	(3,662)	-	-
Amortisation of software development	3	(1,197)	(710)	-	-
Depreciation of plant and equipment	3	(3,392)	(2,716)	-	-
Impairment of acquired assets	3, 16	(6,532)	-	(332)	-
Finance costs	3	(675)	(473)	(178)	(263)
Management fee		-	-	(7,373)	(3,647)
Other expenses		(10,078)	(9,323)	(3,218)	(1,836)
(Loss)/profit before income tax		**(5,470)**	**13,129**	**(2,143)**	**7,208**
Income tax (expense)/benefit	4	(2,111)	(3,828)	2,795	1,696
(Loss)/profit for the year		**(7,581)**	**9,301**	**652**	**8,904**
Net loss/(profit) attributable to minority equity interests		36	(26)	-	-
(Loss)/profit attributable to members of the parent entity		**(7,545)**	**9,275**	**652**	**8,904**
Basic earnings per share (cents per share)	8	(6.00c)	7.63c		
Diluted earnings per share (cents per share)	8	(6.00c)	7.33c		

These financial statements should be read in conjunction with the accompanying notes.

Balance Sheet as at 30 June 2009

	Notes	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		$000	$000	$000	$000
CURRENT ASSETS					
Cash and cash equivalents	9	20,977	17,600	63	77
Trade and other receivables	10	30,466	36,927	43,573	46,351
Other current assets	11	5,184	5,391	716	635
TOTAL CURRENT ASSETS		**56,627**	**59,918**	**44,352**	**47,063**
NON-CURRENT ASSETS					
Investments accounted for using the equity method	12	-	332	-	332
Financial assets	13	-	-	52,542	49,785
Plant and equipment	14	7,996	8,220	-	-
Deferred tax assets	15	2,268	3,304	757	633
Intangible assets	16	55,397	62,772	-	-
TOTAL NON-CURRENT ASSETS		**65,661**	**74,628**	**53,299**	**50,750**
TOTAL ASSETS		**122,288**	**134,546**	**97,651**	**97,813**
CURRENT LIABILITIES					
Trade and other payables	17	22,148	31,366	675	2,441
Unearned income	18	6,622	5,020	-	-
Short-term borrowings	19	499	600	-	-
Current tax liabilities	15	439	3,471	419	2,962
Short-term provisions	20	5,164	4,773	395	79
TOTAL CURRENT LIABILITIES		**34,872**	**45,230**	**1,489**	**5,482**
NON-CURRENT LIABILITIES					
Long-term borrowings	19	16,196	12,216	4,032	2,174
Long-term provisions	20	786	383	304	18
TOTAL NON-CURRENT LIABILITIES		**16,982**	**12,599**	**4,336**	**2,192**
TOTAL LIABILITIES		**51,854**	**57,829**	**5,825**	**7,674**
NET ASSETS		**70,434**	**76,717**	**91,826**	**90,139**
EQUITY					
Issued capital	21	85,073	81,360	85,073	81,360
Reserves	22	3,633	6,046	5,245	7,921
(Accumulated losses)/Retained earnings		(18,476)	(10,929)	1,508	858
PARENT INTERESTS		**70,230**	**76,477**	**91,826**	**90,139**
Minority equity interests		204	240	-	-
TOTAL EQUITY		**70,434**	**76,717**	**91,826**	**90,139**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year Ended 30 June 2009

	Share Capital Ordinary	Accumulated Losses	Reserves: Capital Profits Reserves	Reserves: Equity Incentive Plans	Reserves: Dividend Distribution Reserve	Reserves: Foreign Exchange Movement	Minority Interests	Total
	$000	$000	$000	$000	$000	$000	$000	$000
Consolidated Entity								
Balance at 1 July 2007	**77,069**	**(14,624)**	**105**	**186**	**4,220**	**(516)**	**-**	**66,440**
Profit attributable to members of parent entity	-	9,275	-	-	-	-	-	9,275
Loss attributable to minority shareholders	-	-	-	-	-	-	26	26
Foreign exchange movement	-	-	-	-	-	(1,297)	-	(1,297)
Total recognised income and expense	**-**	**9,275**	**-**	**-**	**-**	**(1,297)**	**26**	**8,004**
Transfer between reserves	-	(5,580)	-	-	5,580	-	-	-
Additions through acquisition of entities	-	-	-	-	-	-	163	163
Additions through incorporation of an entity	-	-	-	-	-	-	51	51
Shares and options issued (net of transaction costs)	4,291	-	-	2,227	-	-	-	6,518
Elimination of treasury shares	-	-	-	(239)	-	-	-	(239)
Dividends paid	-	-	-	-	(4,220)	-	-	(4,220)
Balance at 1 July 2008	**81,360**	**(10,929)**	**105**	**2,174**	**5,580**	**(1,813)**	**240**	**76,717**
Loss attributable to members of parent entity	-	(7,545)	-	-	-	-	-	(7,545)
Profit attributable to minority shareholders	-	-	-	-	-	-	(36)	(36)
Foreign exchange movement	-	-	-	-	-	266	-	266
Total recognised income and expense	**-**	**(7,545)**	**-**	**-**	**-**	**266**	**(36)**	**(7,315)**
Transfer between reserves	-	(2)	-	-	2	-	-	-
Shares and options issued (net of transaction costs)	3,713	-	-	1,859	-	-	-	5,572
Elimination of treasury shares	-	-	-	1,042	-	-	-	1,042
Dividends paid	-	-	-	-	(5,582)	-	-	(5,582)
Balance at 30 June 2009	**85,073**	**(18,476)**	**105**	**5,075**	**-**	**(1,547)**	**204**	**70,434**

	Share Capital Ordinary	(Accumulated Losses)/ Retained Earnings	Reserves: Capital Profits Reserves	Reserves: Equity Incentive Plans	Reserves: Dividend Distribution Reserve	Reserves: Foreign Exchange Movement	Minority Interests	Total
	$000	$000	$000	$000	$000	$000	$000	$000
Parent Entity								
Balance at 1 July 2007	**77,069**	**(2,466)**	**105**	**186**	**4,220**	**-**	**-**	**79,114**
Profit attributable to members of parent entity	-	8,904	-	-	-	-	-	8,904
Foreign exchange movement	-	-	-	-	-	62	-	62
Total recognised income and expense	**-**	**8,904**	**-**	**-**	**-**	**62**	**-**	**8,966**
Transfer between reserves	-	(5,580)	-	-	5,580	-	-	-
Shares and options issued (net of transaction costs)	4,291	-	-	2,227	-	-	-	6,518
Elimination of treasury shares	-	-	-	(239)	-	-	-	(239)
Dividends paid	-	-	-	-	(4,220)	-	-	(4,220)
Balance at 1 July 2008	**81,360**	**858**	**105**	**2,174**	**5,580**	**62**	**-**	**90,139**
Profit attributable to members of parent entity	-	652	-	-	-	-	-	652
Foreign exchange movement	-	-	-	-	-	3	-	3
Total recognised income and expense	**-**	**652**	**-**	**-**	**-**	**3**	**-**	**655**
Transfer between reserves	-	(2)	-	-	2	-	-	-
Shares and options issued (net of transaction costs)	3,713	-	-	1,859	-	-	-	5,572
Elimination of treasury shares	-	-	-	1,042	-	-	-	1,042
Dividends paid	-	-	-	-	(5,582)	-	-	(5,582)
Balance at 30 June 2009	**85,073**	**1,508**	**105**	**5,075**	-	**65**	**-**	**91,826**

These financial statements should be read in conjunction with the accompanying notes.

Cash Flow Statement for the year ended 30 June 2009

	Notes	Consolidated Entity		Parent Entity	
		2009 $000	2008 $000	2009 $000	2008 $000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		258,276	244,973	-	-
Payments to suppliers and employees		(241,560)	(231,355)	(1,349)	(3,881)
Dividends received		-	-	10,080	4,960
Interest received		286	416	-	19
Finance costs		(675)	(473)	(178)	(263)
Income tax paid		(4,096)	(1,764)	(2,967)	(1,293)
Income tax refund		444	54	-	-
Net cash provided by/(used in) operating activities	26(a)	**12,675**	**11,851**	**5,586**	**(458)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of plant and equipment		4	20	-	-
Purchase of plant and equipment		(2,772)	(4,790)	-	-
Payment for business assets acquired, net of cash acquired	26(b)	(2,785)	(6,515)	(1,553)	-
(Payment for)/proceeds from investments		-	(4)	-	98
Net cash (used in)/provided by investing activities		**(5,553)**	**(11,289)**	**(1,553)**	**98**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		142	772	142	772
Payment of transaction costs relating to share issues		(22)	(13)	(22)	(13)
Proceeds from borrowings		2,549	11,343	1,725	2,173
Repayment of borrowings		(1,085)	(3,588)	(310)	-
Dividends paid		(5,582)	(4,220)	(5,582)	(4,220)
Net cash (used in)/provided by financing activities		**(3,998)**	**4,294**	**(4,047)**	**(1,288)**
Net increase/(decrease) in cash and cash equivalents held		3,124	4,856	(14)	(1,648)
Cash and cash equivalents at beginning of financial year		17,600	12,917	77	1,725
Effect of exchange rates on cash holdings in foreign currencies		253	(173)	-	-
Cash and cash equivalents at end of financial year	9	**20,977**	**17,600**	**63**	**77**

These financial statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For The Year Ended 30 June 2009

Note 1: Statement of Significant Accounting Policies

This financial report includes the consolidated financial statements and notes of Talent2 International Limited and its controlled entities (“consolidated entity”) and the separate financial statements and notes of Talent2 International Limited (“the Company”) as an individual parent entity (“parent entity”).

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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this 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) Principles of Consolidation

A controlled entity is any entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 13 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated entity during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets (including intangible assets), liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in the profit or loss.

(b) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other then as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax consolidated group under Australian taxation law. Talent2 International Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are initially recognised in the separate financial statements of the members of the tax-consolidated group using the “separate taxpayer within group” approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(c) Plant and Equipment

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

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

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	15% - 33%
Plant and equipment	7% - 33%
Leased plant and equipment	25%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated entity, 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 the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease.

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

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

> the amount at which the financial asset or financial liability is measured at initial recognition;

> less principal repayments;

> plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

> less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(f) Impairment of Assets

At each reporting date, the group 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 as determined by a discounted cashflow calculation, 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.

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

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

(g) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the group's share of the post-acquisition reserves of its associates.

(h) Investments in Subsidiaries

Investments in subsidiaries are carried at cost in the accounts of the parent entity.

(i) Intangibles

Goodwill

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets (including intangible assets), liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Software Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a straight-line basis matched to the future economic benefits of the project. It is the group's practise to fully amortise software development costs in the financial period incurred which also corresponds to the useful life of the asset.

Software Intellectual Property

Acquired software intellectual property is recorded at fair value using a royalty based valuation model as at the effective date of the relevant acquisition and then amortised on a straight-line basis over their useful life to the consolidated entity commencing from the time the software is held ready for use. Software intellectual property is amortised between 12.5% and 33.3% p.a.

Candidate Databases

Acquired candidate databases are recorded at the assessed replacement cost to recreate the asset model as at the date of the relevant acquisition and then amortised on a straight-line basis over their useful life to the consolidated entity commencing from the time the database is held ready for use. Candidate databases are amortised at 20% p.a.

Clients List

Acquired clients list are recorded at the assessed replacement cost to recreate the asset model as at the date of the relevant acquisition and then amortised on a straight-line basis over their useful life to the consolidated entity commencing from the time the client list is held ready for use. Clients list are amortised at 25% p.a.

Brand Name

Brand name is recorded at the assessed replacement cost to recreate the asset model as at the date of the relevant acquisition and then amortised on a straight-line basis over their useful life to the consolidated entity.

(j) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction 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.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

> assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
> income and expenses are translated at average exchange rates for the period where this approximates to the rate at the date of the transaction; and
> retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(k) Employee Benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Equity-settled compensation

The group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, corresponding with an increase to the equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using the binominal pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Long Term Incentives

In the group's financial statements, the transactions of the Company sponsored employee share plan trust are treated as being executed directly by the Company (as the trust acts as the Company's agent). Accordingly unexpensed escrowed (unvested) shares held by the trust are recognised as treasury shares and deducted from equity.

(l) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) Cash and Cash Equivalents

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

(n) Revenue

Managed Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Licence Sales and Disposal of Assets

Revenue from licence sales and disposal of assets is recognised when the consolidated entity has passed control of the goods to the buyer.

Rendering of Technology Services

Revenue relating to maintenance of software is recognised over the maintenance period. Revenue received in advance is recorded as unearned income.

Permanent Placements

Revenue is recognised once the outcome of a placement can be reliably estimated which is considered to be when the appointment is accepted by both the client and the candidate.

Contract Placements

Revenue is recognised when the services are provided.

Royalties

Royalty revenue is recognised on an accruals basis in accordance with the substance of the relevant agreement.

Interest

Interest revenue is recognised using the effective interest rate method.

Dividends

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates entities are accounted for in accordance with the equity method of accounting.

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

(o) Borrowing Costs

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

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

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

> where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;

> or for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(q) Comparative Figures

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

(r) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest $1,000.

(s) 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 group.

Key estimates – Fair value assessment on Business Combinations

At the time of forming a new business combination the group undertakes the identification of identifiable intangible assets. Where an identifiable intangible exists fair value is determined by either applying a royalty stream model where cash flows to be derived from the intangible asset are projected and discounted, or cost to recreate model where current and historical data is used to determine the costs to reproduce the intangible asset.

The consolidated entity will make an informed assessment of fair value of other acquired assets giving weight to the age of the asset, current market conditions, expected useful life / collectability and current state of the asset.

Key estimates — Impairment

The consolidated entity assesses impairment of intangibles assets at each reporting date by evaluating conditions and events specific to each cash generating unit that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in use calculations which incorporate key assumptions. See Note 16 for further disclosures.

The consolidated entity assesses impairment of receivables on a regular basis. The estimate is based on the credit history of its customers and current market conditions. If the financial conditions of customers of the consolidated entity were to deteriorate, resulting in an deterioration in their ability to make payments, an additional impairment charge may be required. See Note 10 for further disclosures.

Key estimates — Options Valuation

The consolidated entity values share options issued to directors and employees on date of grant using the binomial option pricing model. See Note 27 for further disclosure.

(t) New Accounting Standard for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The consolidated entity has decided against early adoption of these standards. A discussion of those future requirements and their impact on the consolidated entity follows:

> AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the consolidated entity will be unable to be determined. The following changes to accounting requirements are included:

- acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
- contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
- a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
- there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the consolidated entity's policy);
- dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
- impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and

  – where there is, in substance, no change to consolidated entity interests, parent entities inserted above existing entities shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

> The consolidated entity will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.

> AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the consolidated entity's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

> AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the consolidated entity. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

> AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the consolidated entity as a policy of capitalising qualifying borrowing costs has been maintained by the consolidated entity.

> AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

> AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the consolidated entity.

The consolidated entity does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the consolidated entity's financial statements.

The financial report was authorised for issue on 16 September 2009 by the Board of Directors.

Note 2: Revenue

	Note	Consolidated Entity 2009 $000	Consolidated Entity 2008 $000	Parent Entity 2009 $000	Parent Entity 2008 $000
2(a) Operating revenue:					
Managed Services		114,271	93,826	-	-
Recruitment Services		114,436	135,062	-	-
Dividends received from wholly-owned subsidiaries		-	-	10,080	14,561
Interest received from other persons		286	416	-	19
Management fee received from wholly-owned subsidiaries		-	-	1,149	2,234
Other revenue		-	-	-	100
Total Revenue		**228,993**	**229,304**	**11,229**	**16,914**
2(b) Other Income					
Net foreign exchange gain		-	878	-	217

Note 3: Result for the Year

	Note	Consolidated Entity 2009 $000	Consolidated Entity 2008 $000	Parent Entity 2009 $000	Parent Entity 2008 $000
Finance costs:					
External interest		637	435	178	263
External finance lease charges		38	38	-	-
Total finance costs		**675**	**473**	**178**	**263**
Depreciation of non-current assets:					
Leasehold improvements		1,357	1,211	-	-
Plant and equipment		1,707	1,236	-	-
Leased assets		328	269	-	-
Total depreciation of plant and equipment		**3,392**	**2,716**	**-**	**-**
Amortisation of non-current assets:					
Software development		1,197	710	-	-
Acquired software intellectual property		3,180	2,712	-	-
Acquired candidate databases		1,081	950	-	-
Acquired clients list		57	-	-	-
Acquired brand name		190	-	-	-
Other		2	-	-	-
Amortisation of acquired intangibles		**4,510**	**3,662**	**-**	**-**
Impairment of acquired assets:					
Impairment of goodwill		6,200	-	-	
Impairment of investment in associated company		332	-	332	-
Impairment of acquired assets		**6,532**	**-**	**332**	**-**
Net foreign exchange losses		178	-	904	-
Bad and doubtful debts:					
Trade receivables	10(a)	202	40	-	-
Rental expense on operating leases:					
Minimum lease payments		14,833	10,717	-	155

Note 4: Income Tax Expense

		Note	Consolidated Entity 2009 $000	Consolidated Entity 2008 $000	Parent Entity 2009 $000	Parent Entity 2008 $000
(a)	The components of tax expense/(benefit) comprise:					
	Current tax		971	3,218	(2,705)	(975)
	Deferred tax	15(c)	1,140	610	(90)	(721)
			2,111	**3,828**	**(2,795)**	**(1,696)**
(b)	The prima facie tax on (loss)/profit before income tax, is reconciled to the income tax as follows:					
	Prima facie tax payable on (loss)/profit before income tax at 30%					
	> Consolidated entity		(1,641)	3,939	-	-
	> Parent entity		-	-	(643)	2,162
			(1,641)	**3,939**	**(643)**	**2,162**
	Add:					
	Tax effect of:					
	> Non-deductible depreciation and amortisation		1,960	162	99	-
	> Other non-allowable items		218	227	103	28
	> Equity settled remuneration expensed during year		516	668	516	668
	> Adjustments in respect of current income tax of previous years		696	-	159	-
	> Deferred tax assets not recognised on current period losses		249	-	-	-
	> Effect on opening deferred tax balances resulting from the change in tax rate during the year		85	-	-	-
	> Foreign exchange losses and other translation adjustments		190	-	-	-
			2,273	**4,996**	**234**	**2,858**
	Less:					
	Tax effect of:					
	> Adjustments in respect of current income tax of previous years		-	(891)	-	(157)
	> Dividends received from other members of the income tax consolidated entity		-	-	(3,024)	(4,368)
	> Research and development		(25)	(54)	-	-
	> Foreign exchange gains and other translation adjustments		-	(79)	-	-
	> Other non-assessable items		(137)	(144)	(5)	(29)
	Income tax attributable to entity		**2,111**	**3,828**	**(2,795)**	**(1,696)**
	The applicable weighted average effective tax rates are as follows:		(39.5%)	29.2%	-	-

The (decrease)/increase in the weighted average effective consolidated tax rate for 2009 is mainly the result of the non-deductibility of the impairment charge and equities settled remuneration expensed together with losses incurred overseas that do not meet the criteria to be recognised as a deferred tax asset.

Note 5: Directors' and Key Management Personnel Remuneration

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the consolidated entity's key management personnel for the year ended 30 June 2009.

(a) Options and Rights Holdings

Number of Options Held by Parent Entity Directors and other key management personnel (Options exercised during the year were granted as remuneration in prior periods).

	Balance 1.7.08	Granted as Remune-ration	Options Exercised	Ave. Amount Paid per Share	Net Change Other*	Balance 30.6.09	Total Vested 30.6.09	Total Exercisable 30.6.09	Total Unexer-cisable 30.6.09
Parent Entity Directors									
Ken Allen	360,000	-	-	-	(200,000)	160,000	-	-	160,000
Mary Beth Bauer	320,000	-	-	-	(160,000)	160,000	-	-	160,000
Andrew Banks	320,000	-	-	-	(160,000)	160,000	-	-	160,000
Ken Borda	-	240,000	-	-	(80,000)	160,000	-	-	160,000
Pam Laidlaw	-	240,000	-	-	(80,000)	160,000	-	-	160,000
Geoff Morgan	320,000	-	-	-	(160,000)	160,000	-	-	160,000
Hans Neilson	360,000	-	-	-	(200,000)	160,000	-	-	160,000
Albert "Bud" Hawk (resigned 1/8/08)	320,000	-	(47,580)	1.570	(272,420)	-	-	-	-
Other Key Management Personnel									
John Rawlinson	690,000	1,000,000	-	-	(85,500)	1,604,500	110,000	110,000	1,494,500
Martin Brooke	397,500	325,000	-	-	(51,300)	671,200	65,000	65,000	606,200
Paul Jury	120,000	275,000	-	-	-	395,000	70,000	70,000	325,000
Eileen Aitken	50,000	260,000	-	-	-	310,000	22,500	22,500	287,500
David Patteson	10,000	60,000	-	-	-	70,000	2,500	2,500	67,500
Total	**3,267,500**	**2,400,000**	**(47,580)**		**(1,449,220)**	**4,170,700**	**270,000**	**270,000**	**3,900,700**

* The net change other reflected above includes those options that have been forfeited by holders.

(b) Shareholdings

Number of shares held directly or indirectly by parent entity directors and other key management personnel.

	Balance 1.7.08	Received as LTI	Options Exercised	* Net Change Other	Balance 30.6.09
Parent Entity Directors					
Ken Allen	-	-	-	50,800	50,800
Mary Beth Bauer	517,713	-	-	-	517,713
Andrew Banks**	34,672,396	-	-	(1,959,418)	32,712,978
Ken Borda	-	-	-	139,196	139,196
Pam Laidlaw	28,460	-	-	-	28,460
Geoff Morgan**	34,744,036	-	-	(2,146,667)	32,597,369
Hans Neilson	-	-	-	30,000	30,000
Albert "Bud" Hawk*** (resigned 1/8/08)	9,626,466	-	47,580	-	9,674,046
	79,589,071	**-**	**47,580**	**(3,886,089)**	**75,750,562**
Morgan & Banks Investments**	(34,537,369)	-	-	2,000,000	(32,537,369)
	45,051,702	**-**	**47,580**	**(1,886,089)**	**43,213,193**
Other Key Management Personnel					
John Rawlinson	2,725,070	-	-	9,270	2,734,340
Martin Brooke	321,944	-	-	6,307	328,251
Paul Jury	620,399	-	-	6,646	627,045
Eileen Aitken	71,178	-	-	9,095	80,273
David Patteson	-	-	-	1,264	1,264
	3,738,591	**-**	**-**	**32,582**	**3,771,173**

* Net change other refers to shares purchased or sold during the financial year.
** Includes shares held by Morgan & Banks Investments, a company associated with both Andrew Banks and Geoff Morgan.
*** Includes shares held by Interpro Global Pte Limited, a company associated with Albert "Bud" Hawk.

(c) Other Key Management Personnel

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer to Note 29.

Note 6: Auditors' Remuneration

	Consolidated Entity		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Remuneration of the auditor of the parent entity for:				
auditing or reviewing the financial reports	249	250	-	8
other assurance services	63	71	-	-
	312	**321**	**-**	**8**
Remuneration of overseas affiliates of the auditor:				
auditing or reviewing the financial report of subsidiaries	143	157	-	-
Remuneration of other auditors of subsidiaries for:				
auditing or reviewing the financial report of subsidiaries	2	2	-	-

Note 7: Dividends

	Consolidated Entity 2009 $000	Consolidated Entity 2008 $000	Parent Entity 2009 $000	Parent Entity 2008 $000
90% franked dividend of 4.5 cents per share paid on 10 September 2008 (2008: unfranked dividend of 3.5 cents per share paid on 10 September 2007)	5,882	4,220	5,882	4,220
	5,882	**4,220**	**5,882**	**4,220**
a. No dividend was declared for 2009 (2008: final 90% partially franked ordinary dividend of 4.5 cents per share franked at the tax rate of 30%)	-	2,137	-	2,137
b. Balance of franking account at year end adjusted for franking credits arising from:	2,625	1,690	2,625	1,690
- Payment of provision for income tax	397	3,061	397	3,061
Subsequent to year-end, the franking account would be reduced by the proposed dividend	-	(2,137)	-	(2,137)
	3,022	**2,614**	**3,022**	**2,614**

Note 8: Earnings per Share

		Consolidated Entity 2009 $000	Consolidated Entity 2008 $000
(a)	Reconciliation of Earnings to (Loss)/Profit		
	(Loss)/Profit	(7,545)	9,275
	Earnings used in the calculation of basic and dilutive EPS	**(7,545)**	**9,275**
(b)	Weighted average number of ordinary shares	**No.**	**No.**
	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	125,746,633	121,624,707
	Weighted average number of options outstanding	135,509	2,951,733
	Weighted average number of performance rights	2,446,733	1,889,077
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS (inclusion of options and performance rights would be anti-dilutive in 2009)	**125,746,633**	**126,465,517**

Note 9: Cash and Cash Equivalents

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
Cash at bank and on hand	20,923	17,533	63	77
Short-term bank deposits	54	67	-	-
	20,977	**17,600**	**63**	**77**

Note 10: Trade and Other Receivables

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
CURRENT				
Trade receivables	26,756	33,634	-	-
Provision for impairment of receivables	(386)	(184)	-	-
	26,370	**33,450**	**-**	**-**
Other receivables	4,096	3,477	60	-
Amounts receivable from:				
wholly-owned subsidiaries	-	-	43,513	46,351
	30,466	**36,927**	**43,573**	**46,351**

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. The consolidated entity does not hold any collateral as security over any receivable balance, nor does it hold any restrictions of title.

The average credit period on services rendered is 30 days. No interest is charged on outstanding trade receivable balances although some contracts allow for the interest to be charged up to a rate of 8%.

As at 30 June 2009 current trade receivables of the consolidated entity with a nominal value of $386,000 (2008: $184,000) were impaired. The individually impaired receivables are past due and relate to a variety of customers who are in unexpectedly difficult situations.

As of 30 June 2009, trade receivables of $6,330,000 (2008: $8,620,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default and the consolidated entity expects to recover these amounts in full. No terms have been re-negotiated during the year. The ageing analysis of receivables past due but not impaired is as follows:

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
Past due 0 – 30 days	4,398	5,866	-	-
Past due 31 – 60 days	911	1,611	-	-
Past due greater than 60 days	1,021	1,143	-	-
	6,330	**8,620**	**-**	**-**

(a) Impaired receivables

	Consolidated Entity		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Movements in the allowance for impairment of receivables are as follows:				
At 1 July	184	144	-	-
Provision for impairment recognised during the year	249	176	-	-
Receivables written off during the year as uncollectible	(47)	(97)	-	-
Unused amount reversed	-	(39)	-	-
At 30 June	**386**	**184**	**-**	**-**

No collateral is held over these impaired receivables.

The creation and release of the provision for impaired receivables has been included in "other expenses" in the income statement.

Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional amounts.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. There are no receivables that have had renegotiated terms that would otherwise, without that renegotiation, have been past due or impaired.

(b) Foreign currency risk

Please refer to Note 30 (c) for exposures to foreign currency risk relating to trade and other receivables.

Note 11: Other Current Assets

	Consolidated Entity		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
CURRENT				
Prepayments	1,835	1,817	587	376
Bank guarantees	1,486	1,719	-	-
Security deposits	1,821	1,569	-	-
Others	42	286	129	259
	5,184	**5,391**	**716**	**635**

Note 12: Investments Accounted for using the Equity Method

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
Unlisted investment, at cost				
Associated company	332	332	332	332
Less: Impairment	(332)	-	(332)	-
	-	332	-	332

Interests are held in the following associated company

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carry amount of Investment	
				2009	2008	2009	2008
				%	%	$000	$000
Unlisted:							
TalentPro Global Limited	Investment Holding	British Virgin Island	Ordinary	32	32	-	332

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
Movements during the year in equity accounted investment in associated companies				
Balance at beginning of the financial year	332	328	332	328
New investments during the year	-	4	-	4
Impairment charged against operating profit[1]	(332)	-	(332)	-
Share of associated company's profit after income tax[2]	-	-	-	-
Balance at end of the financial year	**-**	**332**	**-**	**332**

[1] During the year, the consolidated entity fully impaired the investment in TalentPro Global Limited. Refer to Note 16 for further details.
[2] During the year ended June 2009, the consolidated entity's share in the after tax results of the associated company was less then $1,000.

Note 13: Financial Assets

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
Unlisted investments, at cost				
Shares in controlled entities	-	-	52,542	49,785
	-	-	52,542	49,785

(a) Controlled Entities

Parent Entity:	Country of Incorporation	Percentage Owned 2009	2008
Talent2 International Limited	Australia		
Controlled Entities:			
Talent2 Works Pty Ltd	Australia	100%	100%
Talent2 Holdings Limited	Hong Kong	100%	100%
Talent2 Works Limited	Hong Kong	100%	100%
TWO Talent2 Malaysia Sdn Bhd	Malaysia	100%	100%
Talent2 Pty Limited	Australia	100%	100%
T2 Pty Ltd	Australia	100%	100%
Talent2 Limited	Hong Kong	100%	100%
Wall Street Associates Limited	Hong Kong	100%	100%
Wall Street Associates Outsourcing Limited	Hong Kong	100%	100%
Talent Partners Pty Ltd	Australia	100%	100%
Talent2 Consult Pty Ltd	Australia	100%	100%
Talent2 Hong Kong Limited	Hong Kong	100%	100%
Talent-Pro Limited	Hong Kong	100%	100%
Paper Shuffle Pty Ltd	Australia	100%	100%
Talent2 Macau Limited	Macau	100%	99%
Talent2 Shanghai Co Ltd	China	70%	70%
Talent Partners in the Gulf Limited	British Virgin Islands	100%	100%
Talent Partners (Dubai) LLC	United Arab Emirates	100%	100%
Intersearch Bahrain Consulting WLL	Kingdom of Bahrain	100%	100%
Talent2 India HR Private Limited	India	100%	99%
Agensi Perkerjaan Talent2 International Sdn Bhd	Malaysia	100%	100%
Talent2 Singapore Pte Ltd	Singapore	100%	90%
Talent 2 NZ Limited	New Zealand	100%	100%
Stonyer & Associates Limited	New Zealand	100%	100%
Duncan & Ryan Associates Limited	New Zealand	100%	100%
Duncan & Ryan Associates (Auckland) Limited	New Zealand	100%	100%
NPS International Pty Ltd	Australia	100%	100%
NPS Holdings Pty Ltd	Australia	Deregistered	100%
National Payroll Systems Pty Ltd	Australia	100%	100%
Inter City Computer Services Pty Ltd	Australia	Deregistered	100%
Business Micros Queensland Pty Ltd	Australia	Deregistered	100%
T2 Optimise Pty Ltd[1]	Australia	100%	100%
The Learning Group Pty Ltd	Australia	100%	-
Talent2 Japan KK	Japan	100%	100%
T2 Tokyo KK	Japan	51%	51%
Talent2 KK	Japan	70%	70%
TOGJ Consulting Ltd	Japan	70%	70%
Talent2 Corporation	USA	100%	100%
Talent2 UK Limited	UK	100%	100%
Australasian Talent Company Limited	UK	100%	100%
Talent2 UK Executive Limited	UK	100%	100%

[1] The company changed its name on 10 July 2008, formerly known as BizEd Services Pty Ltd.

Note 14: Plant and Equipment

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
Plant and Equipment:				
At cost	12,960	11,319	-	-
Accumulated depreciation	(8,897)	(7,449)	-	-
	4,063	**3,870**	**-**	**-**
Leasehold improvements:				
At cost	7,019	6,748	-	-
Accumulated amortisation	(4,090)	(2,906)	-	-
	2,929	**3,842**	**-**	**-**
Leased plant and equipment:				
Capitalised leased assets	2,407	1,584	-	-
Accumulated depreciation	(1,403)	(1,076)	-	-
	1,004	**508**	**-**	**-**
Total plant and equipment	**7,996**	**8,220**	**-**	**-**

Finance leases are secured against the equipment in which the lease relates to.

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Leasehold Improvements	Plant and Equipment	Leased Plant and Equipment	Total
	$000	$000	$000	$000
Balance at 1 July 2007	**2,439**	**2,746**	**605**	**5,790**
Additions	2,607	2,182	172	4,961
Disposals	(12)	(21)	-	(33)
Additions through acquisition of entities	30	258	-	288
Depreciation/amortisation charge for the year	(1,211)	(1,236)	(269)	(2,716)
Foreign exchange movement	(11)	(59)	-	(70)
Balance at 30 June 2008	**3,842**	**3,870**	**508**	**8,220**
Additions	345	1,603	824	2,772
Disposals	(165)	(104)	-	(269)
Additions through acquisition of entities	-	85	-	85
Reclassification of assets	(4)	4	-	-
Depreciation/amortisation charge for the year	(1,357)	(1,707)	(328)	(3,392)
Foreign exchange movement	268	312	-	580
Balance at 30 June 2009	**2,929**	**4,063**	**1,004**	**7,996**

Note 15: Taxation

	Consolidated Entity 2009 $000	Consolidated Entity 2008 $000	Parent Entity 2009 $000	Parent Entity 2008 $000
(a) Assets				
NON-CURRENT				
Deferred tax assets comprise:				
Future income tax benefits attributable to tax losses	220	582	156	122
Temporary differences	2,048	2,722	601	511
Total	**2,268**	**3,304**	**757**	**633**
(b) Liabilities				
CURRENT				
Income Tax	**439**	**3,471**	**419**	**2,962**

(c) Reconciliations
Gross Movements

The overall movement in the deferred tax account is as follows:

	Opening Balance $000	Charged to Income $000	Business Acquisition $000	Other $000	Closing Balance $000
Consolidated Entity					
Plant & equipment - tax allowances	431	194	-	-	625
Acquired intangible assets	(1,976)	540	-	-	(1,436)
Future income tax benefit attributable to tax losses	581	(348)	-	-	233
Employment expenses	2,382	(237)	72	-	2,217
Unrealised foreign exchange	44	14	-	-	58
Provisions and accruals	1,682	(1,415)	-	-	267
Other	160	112	32	-	304
Balance 30 June 2009	**3,304**	**(1,140)**	**104**	**-**	**2,268**
Plant & equipment - tax allowances	14	417	-	-	431
Acquired intangible assets	(1,367)	(609)	-	-	(1,976)
Future income tax benefit attributable to tax losses	2,681	(2,156)	56	-	581
Employment expenses	1,960	422	-	-	2,382
Unrealised foreign exchange	-	44	-	-	44
Provisions and accruals	459	1,223	-	-	1,682
Other	111	49	-	-	160
Balance 30 June 2008	**3,858**	**(610)**	**56**	**-**	**3,304**
Parent Entity					
Future income tax benefit attributable to tax losses	122	-	-	34	156
Employment expenses	411	(211)	-	-	200
Unrealised foreign exchange	-	189	-	-	189
Provisions and accruals	-	(82)	-	-	(82)
Other	100	194	-	-	294
Balance 30 June 2009	**633**	**90**	**-**	**34**	**757**
Future income tax benefit attributable to tax losses	1,885	(1,838)	-	75	122
Employment expenses	76	335	-	-	411
Other	414	782	-	(1,096)	100
Balance 30 June 2008	**2,375**	**(721)**	**-**	**(1,021)**	**633**

Deferred tax assets not brought to account in respect of tax losses, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 occur, amount to $602,000.

Note 16: Intangible Assets

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
Goodwill				
Cost	47,562	46,048	-	-
Impairment	(6,200)	-	-	-
Net carrying value	**41,362**	**46,048**	**-**	**-**
Acquired software intellectual property				
Cost	22,708	21,304	-	-
Accumulated amortisation	(10,291)	(7,112)	-	-
Net carrying value	**12,417**	**14,192**	**-**	**-**
Acquired candidate databases				
Cost	5,404	5,404	-	-
Accumulated amortisation	(3,971)	(2,890)	-	-
Net carrying value	**1,433**	**2,514**	**-**	**-**
Acquired clients list				
Cost	226	-	-	-
Accumulated amortisation	(57)	-	-	-
Net carrying value	**169**	**-**	**-**	**-**
Acquired brand name				
Cost	190	-	-	-
Accumulated amortisation	(190)	-	-	-
Net carrying value	**-**	**-**	**-**	**-**
Other – at cost	**16**	**18**	**-**	**-**
Total intangibles	**55,397**	**62,772**	**-**	**-**

Consolidated Entity:

	Goodwill	Acquired Software Intellectual Property	Acquired Candidate Databases	Acquired Client List	Acquired Brand Name	Other	Total	Total
	2009	2009	2009	2009	2009	2009	2009	2008
	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 1 July 2008	**46,048**	**14,192**	**2,514**	**-**	**-**	**18**	**62,772**	**53,433**
Additions through acquisition of entity	1,514	1,405	-	226	190	-	3,335	13,001
Amortisation charged against operating profit	-	(3,180)	(1,081)	(57)	(190)	(2)	(4,510)	(3,662)
Impairment charged against operating profit	(6,200)	-	-	-	-	-	(6,200)	-
Balance at 30 June 2009	**41,362**	**12,417**	**1,433**	**169**	**-**	**16**	**55,397**	**62,772**

Intangible assets, other than goodwill, have finite useful lives. Goodwill has an infinite life.

Impairment Disclosures

At reporting date, the consolidated entity assessed the recoverability of the carrying value of its acquired intangible assets including its investment in associated entities. The acquired intangible assets are allocated to cash-generating units which are in line with the consolidated entity's reporting segments and step down to identify the individual business units.

	Goodwill 2009 $000	Acquired Software Intellectual Property 2009 $000	Acquired Candidate Databases 2009 $000	Acquired Client List 2009 $000	Other 2009 $000	Total 2009 $000	Total 2008 $000
Recruitment Services Segment	25,811	-	1,433	-	16	27,260	28,437
Less impairment	(6,200)	-	-	-	-	(6,200)	-
	19,611	**-**	**1,433**	**-**	**16**	**21,060**	**28,437**
Managed Services Segment	21,751	12,417	-	169	-	34,337	34,335
	41,362	**12,417**	**1,433**	**169**	**16**	**55,397**	**62,772**

The recoverable amount of each cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period for the Recruitment Services segment business units and a 5 year period plus a terminal value for the Managed Services segment business units.

The following assumptions were used in the value-in-use calculations.

Management has based the value-in-use on budgets extrapolated out for the testing period. These budgets take the bottom up developed business unit budgets for the next financial year forecast out for 5 years taking into account historical growth rates and expected economic conditions during the testing period. For the Managed Services segment acquired businesses, which has an annuity revenue stream due to the customer contracts and service agreements in place with these businesses, a 3% terminal growth rate is used after year 5. The pre-tax weighted average cost of capital (WACC) for the consolidated entity has been used as the discount rate in the discounted cash flow calculations. The average WACC used is 10.3%.

In reviewing the carrying value of the investment in associated company it was determined that due to the unpredictable nature of the cash flows from its investment, the consolidated entity was unable to reliably measure the future cash flows and accordingly have fully impaired this investment.

Based on the above assumption the consolidated entity has calculated an impairment charge to the following acquired business:

	Consolidated Entity 2009 $000	Consolidated Entity 2008 $000	Parent Entity 2009 $000	Parent Entity 2008 $000
Goodwill - UK recruitment business	2,500	-	-	-
Goodwill - Hong Kong recruitment business	3,700	-	-	-
Investment in an associated company in India	332	-	332	-
Total impairment charge	**6,532**	**-**	**332**	**-**

	Average revenue growth rates used	Average WACC used
Goodwill - UK recruitment business	10.4%	10.3%
Goodwill - Hong Kong recruitment business	18.2%	10.3%

Note 17: Trade and Other Payables

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
CURRENT				
Trade payables	9,006	16,250	70	1,176
Employment liabilities	13,142	15,116	605	1,265
	22,148	**31,366**	**675**	**2,441**

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Refer to note 30 (c) for exposures to foreign currency risk relating to trade and other payables.

Note 18: Unearned Income

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
CURRENT				
Unearned income	6,622	5,020	-	-
	6,622	**5,020**	**-**	**-**

Note 19: Borrowings

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
CURRENT:				
Bank loans	352	265	-	-
Finance lease liabilities secured by the assets leased	147	335	-	-
	499	**600**	**-**	**-**
NON-CURRENT:				
Bank loans	15,602	12,216	4,032	2,174
Finance lease liabilities secured by the assets leased	594	-	-	-
	16,196	**12,216**	**4,032**	**2,174**

The bank loans are secured by a charge over all assets of the subsidiaries guaranteed by the parent entity.

The loan covenants within the bank borrowings require the total interest cover to exceed 3 and the leverage multiple cannot be less than 2.5 times adjusted EBITDA. There have been no breaches of loan covenants during the year.

Note 20: Provisions

Consolidated Entity

	Employee Entitlements	Operating Lease Costs	Other	Total
	$000	$000	$000	$000
Opening balance at 1 July 2008	**4,660**	**316**	**180**	**5,156**
Additions through acquisition of entities	240	-	-	240
Additional provisions	4,433	489	334	5,256
Amounts used	(4,718)	(118)	76	(4,760)
Foreign exchange movements	52	(1)	7	58
Balance at 30 June 2009	**4,667**	**686**	**597**	**5,950**

Analysis of Total Provisions

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000

Current	5,164	4,773	395	79
Non-current	786	383	304	18
	5,950	**5,156**	**699**	**97**

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

Provision for Operating Lease Costs

A provision has been recognised for property lease payments made under operating leases on a straight-line basis over the term of the lease. The provision has been adjusted to take into account increases in CPI.

Note 21: Issued Capital

	Consolidated Entity		**Parent Entity**	
	2009 $000	**2008 $000**	**2009 $000**	**2008 $000**
126,789,602 (2008: 123,091,072) fully paid ordinary shares	85,073	81,360	85,073	81,360
	85,073	**81,360**	**85,073**	**81,360**

		2009 No.	**2008 No.**
(a)	**Ordinary Shares**		
	At the beginning of reporting period	123,091,072	120,262,691
	Shares issued during the year		
	21 December 2007	-	860,852
	14 March 2008	-	463,162
	16 June 2008	-	270,991
	21 August 2008	863,667	-
	19 September 2008	780,420	-
	14 November 2008	1,942,050	-
	Share options exercised during year	112,393	1,233,376
	At reporting date	**126,789,602**	**123,091,072**

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

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

(b) Options

(i) For information relating to the Company employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 27.

(ii) For information relating to share options issued to executive directors and other key management personnel during the financial year, refer to remuneration report in pages 13 to 20 of the Directors' report.

(c) Capital management

When managing capital, management's objectives are to ensure the consolidated entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the consolidated entity.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity has various loan covenants imposed on it by its financiers as discussed in Note 30 (ii).

There have been no changes in the strategy adopted by management to control the capital of the consolidated entity since the prior year. This strategy is to ensure that the consolidated entity's gearing ratio remains appropriate for the market conditions which the consolidated entity operates in. The gearing ratios for the year ended 30 June 2009 and 30 June 2008 are as follows:

	Notes	Consolidated Entity		Parent Entity	
		2009 $000	2008 $000	2009 $000	2008 $000
Total borrowings	17, 19	38,843	44,182	4,707	4,615
Less: cash and cash equivalents	9	(20,977)	(17,600)	(63)	(77)
Net debt		17,866	26,582	4,644	4,538
Total equity		70,434	76,717	91,826	90,139
Total capital		88,300	103,299	96,470	94,677
Gearing ratio		20%	26%	5%	5%

Note 22: Reserves

The Statement of Changes in Equity includes the following reserves:

(a) Capital Profits Reserve

The capital profits reserve records non-taxable profits on sale of investments.

(b) Equity Incentive Plans

The equity incentive plans reserve records items recognised as expenses on valuation of employee share options, performance rights and the elimination of employee long term incentive shares not yet amortised.

(c) Dividend Distribution Reserve

The dividend distribution reserve records funds set aside for distribution by way of future period dividends by the parent entity from current year earnings.

(d) Foreign Exchange Movement Reserve

The foreign exchange movement reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Note 23: Capital and Leasing Commitments

		Consolidated Entity		Parent Entity	
		2009 $000	2008 $000	2009 $000	2008 $000
(a)	Finance Lease Commitments				
	Payable — minimum lease payments				
	not later than 1 year	209	342	-	-
	after 1 year but not more than 5 years	650	-	-	-
	Minimum lease payments	**859**	**342**	**-**	**-**
	Less future finance charges	(116)	(7)	-	-
	Present value of minimum lease payments	**743**	**335**	**-**	**-**

The finance leases consist of equipment leases and are all non-cancellable with terms of up to 4 years, with rents payable monthly in advance.

		Consolidated Entity		Parent Entity	
		2009 $000	2008 $000	2009 $000	2008 $000
(b)	Operating Lease Commitments				
	Non-cancellable operating leases contracted for but not capitalised in the financial statements				
	Payable — minimum lease payments				
	not later than 1 year	9,208	8,975	-	-
	after 1 year but not more than 5 years	15,503	20,189	-	-
	after more than 5 years	5	873	-	-
		24,716	**30,037**	**-**	**-**

The operating leases consist of equipment (2009: $10,297,000; 2008:$12,355,000) and property (2009: $14,419,000; 2008:$17,682,000) lease and are all non-cancellable. Leases for equipment generally have terms for up to 5 years and are payable monthly in arrears. Property leases are generally for periods less than 5 years with options to renew. Rents are payable monthly in advance and are generally subject to CPI increases year on year.

Note 24: Contingent Liabilities and Contingent Assets

The directors believe there are no Contingent Liabilities or Contingent Assets at the reporting date.

Note 25: Segment Reporting

Business and Geographical Segments

Business segments

The consolidated entity has the following two business segments:

Managed Services division provides recurring Human Resource Outsourcing services (HRO) including talent acquisition management services, payroll and human resource administration services, elearning and training management services, licence sale, support and implementation services for human resource and payroll software, plus software Application Service Provider (ASP) services.

Recruitment Services division includes executive recruitment, executive search and specialised human resource consulting services.

The consolidated entity in prior years has reported the Managed Services division and Technology Services division separately. For the year ended 30 June 2009 the consolidated entity has combined the Technology Services division into the Managed Services division as this more accurately reflects the reporting segments of the consolidated entity. All comparative information has been updated to reflect this.

Geographical segments

The consolidated entity's business segments are located in many countries within Asia Pacific, Europe, Middle East and Africa (EMEA) and USA.

The most significant country of operation is Australia.

Primary Reporting — Business Segments

	Managed Services		Recruitment Services		Unallocated Interest		Eliminations		Consolidated Entity	
	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
REVENUE										
External sales	114,271	93,826	114,436	135,062	286	416	-	-	228,993	229,304
Other segments	437	976	1,080	1,136	-	-	(1,517)	(2,112)	-	-
Total Revenue	**114,708**	**94,802**	**115,516**	**136,198**	**286**	**416**	**(1,517)**	**(2,112)**	**228,993**	**229,304**
COST OF RENDERING OF SERVICES										
External sales	(29,240)	(33,987)	(48,335)	(52,567)	-	-	-	-	(77,575)	(86,554)
Other segments	(329)	(1,218)	(85)	(125)	-	-	414	1,343	-	-
GROSS PROFIT	**85,139**	**59,597**	**67,096**	**83,506**	**286**	**416**	**(1,103)**	**(769)**	**151,418**	**142,750**
EBITDA	**12,919**	**9,446**	**(2,369)**	**10,828**	**-**	**-**	**-**	**-**	**10,550**	**20,274**
Depreciation and amortisation	(6,710)	(4,840)	(2,389)	(2,248)	-	-	-	-	(9,099)	(7,088)
Impairment	-	-	(6,532)	-	-	-	-	-	(6,532)	-
EBIT	**6,209**	**4,606**	**(11,290)**	**8,580**	**-**	**-**	**-**	**-**	**(5,081)**	**13,186**
Finance cost									(389)	(57)
(Loss)profit before income tax									**(5,470)**	**13,129**
Income tax expense									(2,111)	(3,828)
(Loss)/profit for the year									**(7,581)**	**9,301**
Net loss/(profit) attributable to minority equity interest									36	(26)
(Loss)/profit attributable to members of the parent entity									**(7,545)**	**9,275**
ASSETS										
Segment assets	77,053	62,578	45,235	71,968	-	-	-	-	122,288	134,546
LIABILITIES										
Segment liabilities	31,888	20,891	19,966	36,938	-	-	-	-	51,854	57,829
OTHER										
Investments accounted for using the equity method	-	332	-	-	-	-	-	-	-	332
Acquisitions of non-current segment assets	2,069	2,063	703	2,898	-	-	-	-	2,772	4,961

Secondary Reporting — Geographical Segments

	Segment Revenues from External Customers		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment Assets	
	2009	2008	2009	2008	2009	2008
	$000	$000	$000	$000	$000	$000
Geographical location:						
Australia and New Zealand	177,125	177,313	88,999	93,049	1,867	2,791
Asia	32,557	32,091	23,333	26,715	651	1,835
EMEA	19,297	19,668	9,776	14,533	254	335
Other locations	14	232	180	249	-	-
	228,993	**229,304**	**122,288**	**134,546**	**2,772**	**4,961**

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, intangibles and plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings.

Intersegment Transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the consolidated entity at discounted arm's length. These transfers are eliminated on consolidation.

Note 26: Cash Flow Information

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
(a) Reconciliation of cash flow from operations with (loss)/profit after income tax				
(Loss)/profit after income tax	(7,581)	9,301	652	8,904
Non-cash flows in profit/(loss):				
Employee share option plans and performance rights expensed to equity	1,859	2,227	1,859	2,227
Depreciation of plant and equipment	3,392	2,716	-	-
Amortisation of acquired intangible assets	4,510	3,662	-	-
Impairment of goodwill	6,200	-	-	-
Impairment of investments accounted for using the equity method	332	-	332	-
Net loss on disposal of plant and equipment	264	13	-	-
Net unrealised exchange difference	-	-	366	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
Decrease/(increase) in trade and other receivables	8,889	(5,348)	4,194	(17,173)
Decrease/(increase) in other current assets	1,151	(1,442)	963	(286)
Decrease/(increase) in deferred tax assets	1,197	555	14	1,760
Increase/(decrease) in trade and other payables	(5,674)	(1,474)	(470)	1,309
Increase/(decrease) in unearned income	856	(2)	-	-
Increase/(decrease) in income taxes payable	(2,905)	1,281	(2,543)	2,796
Increase/(decrease) in other liabilities	418	(239)	266	-
Increase/(decrease) in provisions	(233)	601	(47)	5
Cash flow from/(used in) operations	**12,675**	**11,851**	**5,586**	**(458)**

(b) Acquisition of Entities

The consolidated entity acquired 100% of The Learning Group, a specialist e-learning development and learning services company during the period. The purchase was satisfied by a cash payment of $1,831,000 and the issue of 1,942,050 ordinary shares at an effective price of $0.80. The purchase consideration includes $138,000 of transaction costs. The effective date of the acquisition was 1 July 2008.

On 21 August 2008, the consolidated entity acquired the remaining 10% shareholding of Talent2 Singapore Pte Ltd ("Talent2 Singapore"). The purchase was satisfied by a cash payment of $687,000 and the issue of 863,667 ordinary shares at an effective price of $1.077.

	The Learning Group 2009 $000	Talent2 Singapore 2009 $000	BizEd 2009 $000	Others 2009 $000	Total 2009 $000	Total 2008 $000
The purchase price was allocated as follows:						
Purchase consideration	3,384	1,618	292	342	5,636	14,182
Cash consideration	1,831	687	19	342	2,879	7,814
Cash acquired at acquisition date	(94)	-	-	-	(94)	(1,299)
Cash outflow	**1,737**	**687**	**19**	**342**	**2,785**	**6,515**
Assets and liabilities acquired at acquisition date:						
Cash	94	-	-	-	94	1,299
Receivables	1,394	-	-	-	1,394	3,778
Other current assets	-	-	-	-	-	823
Plant & equipment	85	-	-	-	85	288
Deferred tax assets	104	-	-	-	104	-
Tax liabilities	177	-	-	-	177	(446)
Payables & accruals	(620)	-	-	-	(620)	(2,900)
Short-term borrowings	-	-	-	-	-	(257)
Short-term provisions	(240)	-	-	-	(240)	-
Unearned income	(746)	-	-	-	(746)	(504)
Other non-current liabilities	-	-	-	-	-	(9)
Long-term borrowings	-	-	-	-	-	(1,030)
	248	**-**	**-**	**-**	**248**	**1,042**
Minority equity interests in acquisitions	-	-	-	-	-	(162)
Value attributable to identifiable assets	1,820	-	-	-	1,820	1,327
Goodwill on consolidation	1,316	1,618	292	342	3,568	11,975
Total purchase consideration	**3,384**	**1,618**	**292**	**342**	**5,636**	**14,182**
(Loss)/profit for the period (attributable to members of the parent entity) included in consolidated profit of the consolidated entity since the acquisition date.	(93)	-	-	-	(93)	823

A final earn-out payment was made on 19 September 2008 by the consolidated entity in respect to the acquisition of BizEd Services Pty Ltd ("BizEd") in the amount of $1,127,000. Of this amount, $835,000 was recognised in the prior period accounts of the consolidated entity. The payment was satisfied by a cash payment of $19,000 and the issue of 780,420 shares at an effective price of $1.42.

Goodwill was increased to account for transaction costs and adjustments to opening acquired balance sheet positions for businesses acquired in the prior reporting period, totalling $342,000.

In addition to the parent entity's acquisition of the 10% of the Talent2 Singapore ($687,000) minority interest and the final earn-out payment for BizEd ($19,000), the parent entity further increased its investment in TWO Talent2 Malaysia Sdn Bhd ($141,000) and Agensi Perkerjaan Talent2 International Sdn Bhd ($706,000) (totalling $1,553,000).

Goodwill has arisen on the acquisition of businesses due to the expectation of deriving future growth in earnings and taking advantage of business synergies, which can not be recognised separately as identifiable intangible assets at the date of acquisition.

The assets and liabilities arising from acquisitions are recognised at fair value which is equal to their carrying value at acquisition date.

(c) Non-Cash Financing Activities

During the year the consolidated entity acquired plant and equipment with an aggregate value of $824,000 (2008: $171,000) by means of finance leases. These acquisitions are not reflected in the cash flow statement.

Note 27: Share-based Payments – non-quoted options

	Balance 01/07/08	Issued	Exercised	Expiry/ Cancellations	Balance 30/06/09	Vested	Non Vested	Exercise Price	Expiry
Parcel N (Employee Share Option Plan)	135,000	-	-	135,000	-	-	-	102.0c	06/05/09
Parcel O (Employee Share Option Plan)	760,250	-	50,500	56,500	653,250	653,250	-	97.0c	01/07/09
Parcel Q (Employee Share Option Plan)	12,750	-	-	7,000	5,750	5,750	-	132.0c	05/08/09
Parcel R (Employee Share Option Plan)	72,500	-	-	-	72,500	72,500	-	137.0c	16/02/10
Parcel S (Employee Share Option Plan)	1,255,155	-	8,813	136,168	1,110,174	1,110,174	-	119.0c	24/06/10
Parcel T (Employee Share Option Plan)	44,750	-	-	11,250	33,500	24,500	9,000	105.0c	31/01/11
Parcel U (Employee Share Option Plan)	35,000	-	-	-	35,000	26,250	8,750	115.0c	15/06/11
Parcel V (Employee Share Option Plan)	1,093,000	-	5,500	122,750	964,750	451,900	512,850	134.0c	17/07/11
Parcel W (Employee Share Option Plan)	65,000	-	-	-	65,000	30,000	35,000	157.0c	25/10/11
Parcel X (Director Conditional Option Plan)	2,000,000	-	47,580	752,420	1,200,000	-	1,200,000	157.0c	30/06/12
Parcel Y (Employee Share Option Plan)	60,000	-	-	35,000	25,000	12,500	12,500	188.0c	07/02/12
Parcel Z (Employee Share Option Plan)	37,000	-	-	-	37,000	18,500	18,500	264.0c	16/05/12

Note 27: Share-based Payments – non-quoted options (cont)

	Balance 01/07/08	Issued	Exercised	Expiry/ Cancellations	Balance 30/06/09	Vested	Non Vested	Exercise Price	Expiry
Parcel A (Employee Share Option Plan)	1,299,000	-	-	149,500	1,149,500	287,375	862,125	301.0c	08/08/12
Parcel B (Employee Share Option Plan)	800,000	-	-	16,000	784,000	-	784,000	293.0c	10/09/12
Parcel C (Employee Share Option Plan)	43,000	-	-	5,000	38,000	9,500	28,500	297.0c	05/12/12
Parcel D (Employee Share Option Plan)	152,000	-	-	57,500	94,500	23,625	70,875	225.0c	20/02/13
Parcel E (Employee Share Option Plan)	60,000	-	-	5,000	55,000	13,750	41,250	178.0c	23/04/13
Parcel F (Employee Share Option Plan)	-	75,000	-	10,000	65,000	-	65,000	125.0c	13/08/13
Parcel G (Director Conditional Option Plan)	-	480,000	-	-	480,000	-	480,000	150.0c	30/06/12
Parcel H (Employee Share Option Plan)	-	3,409,495	-	96,500	3,312,995	-	3,312,995	104.0c	22/10/13
Parcel I (Employee Share Option Plan)	-	56,000	-	-	56,000	-	56,000	62.0c	12/12/13
Parcel J (Employee Share Option Plan)	-	70,000	-	-	70,000	-	70,000	63.0c	18/02/14
Parcel K (Employee Share Option Plan)	-	20,000	-	-	20,000	-	20,000	55.0c	20/04/14
Parcel L (Employee Share Option Plan)	-	5,595,000	-	-	5,595,000	-	5,595,000	68.0c	03/06/14
Total	**7,924,405**	**9,705,495**	**112,393**	**1,595,588**	**15,921,919**	**2,739,574**	**13,182,345**		
Percentage of ordinary shares at the end of the Financial Year					**12.56%**	**2.16%**	**10.40%**		

	Consolidated Entity			
	2009		2008	
	Number of Options	Share Exercise Price $	Number of Options	Share Exercise Price $
Outstanding at the beginning of the year	7,924,405	1.834	7,661,356	1.209
Granted	9,705,495	0.852	2,463,500	2.906
Forfeited	(1,595,588)	1.550	(967,075)	1.450
Exercised	(112,393)	1.290	(1,233,376)	0.420
Outstanding at year-end	**15,921,919**	**1.249**	**7,924,405**	**1.834**
Exercisable at year-end	**2,739,574**	**1.392**	**2,226,305**	**0.747**

	Parent Entity			
	2009		2008	
	Number of Options	Share Exercise Price $	Number of Options	Share Exercise Price $
Outstanding at the beginning of the year	7,924,405	1.834	7,661,356	1.209
Granted	9,705,495	0.852	2,463,500	2.906
Forfeited	(1,595,588)	1.550	(967,075)	1.450
Exercised	(112,393)	1.290	(1,233,376)	0.420
Outstanding at year-end	**15,921,919**	**1.249**	**7,924,405**	**1.834**
Exercisable at year-end	**2,739,574**	**1.392**	**2,226,305**	**0.747**

There were 112,393 options exercised during the year ended 30 June 2009. These options had a weighted average share price of $1.25 at exercise date.

The options outstanding at 30 June 2009 had a weighted average exercise price of $1.249 and a weighted average remaining contractual life of 3.47 years. Exercise prices range from $0.55 to $3.010 in respect of options outstanding at 30 June 2009.

The weighted average fair value of the options granted during the year was $0.40.

This price was calculated by using a binomial option pricing model applying the following inputs:

Weighted average exercise price	$0.852
Weighted average life of the option	4.53 years
Weighted underlying share price	$0.850
Weighted expected share price volatility	75.34%
Weighted risk free interest rate	4.98%

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under employee benefits expense in the income statement relating to employee share options is $1,131,000 (2008: $1,008,000) and relates, in full, to the value of employee share option payments at their grant date and is amortised over the vesting period.

	Balance 01/07/08	Issued	Exercised	Expiry/ Cancellations	Balance 30/06/09	Vested	Non Vested	Exercise Price	Expiry
Performance Rights	3,004,649	-	-	438,414	2,566,235	-	2,566,235	-	01/08/12
Percentage of ordinary shares at the end of the Financial Year					2.4%	-	2.4%	-	

For details of performance rights, refer to Remuneration Report of the Directors' Report on page 13 to 20.

Note 28: Events after the Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significant affect on the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Note 29: Related Party Transactions

(a) Equity Interests in controlled entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 13 to the financial statements.

(b) Key Management Personnel Remuneration and Retirement Benefits

Details of Directors' and other key management personnel remuneration are disclosed in the Remuneration Report section of the Directors' Report.

(c) Key Management Personnel Equity Holdings

Details of directors' and other key management personnel equity holdings are disclosed in Note 5 to the financial statements.

(d) Other Transactions with Key Management Personnel The operating profit before income tax includes the following items of revenue and expense that resulted from transactions with Directors or their director-related entities:

	Consolidated Entity		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Revenue:				
Recruitment Services				
- The Heat Group Pty Ltd[1]	53	-	-	-
- Value Enhancement Management Pty Ltd[2]	-	10	-	-
Consulting Services				
- The Heat Group Pty Ltd	2	-	-	-
Other Revenue				
- Value Enhancement Management Pty Ltd	-	3	-	-
- Others	-	-	1,149	2,234
Expense:				
Professional Services				
- Value Enhancement Management Pty Ltd	15	66	-	-
Amount receivable from:				
The Heat Group Pty Ltd	38	-	-	-
Value Enhancement Management Pty Ltd	-	2	-	-
Amount payable to:				
Value Enhancement Management Pty Ltd	1	17	-	-

[1] The Heat Group Pty Ltd is an entity associated with Geoff Morgan.
[2] Value Enhancement Management Pty Ltd is an entity associated with Mary Beth Bauer.

Transactions have occurred during the period between the consolidated entity and publicly held entities which have common directors. All such transactions are conducted on normal commercial terms and are in no way influenced by any director of the consolidated entity.

(e) Transactions within the Wholly-Owned Group

The wholly-owned group includes:

> The ultimate parent entity in the wholly-owned group;

> Wholly-owned controlled entities; and

> Other entities in the wholly-owned group.

The ultimate parent entity in the wholly-owned group is Talent2 International Limited.

No interest expense, provisions for doubtful receivables and write-downs of receivables in respect of transactions with entities in the wholly-owned group was incurred.

Amounts receivable from entities in the wholly-owned group are disclosed in Note 10.

During the financial year Talent2 International Limited received dividends of $10,080,000 (2008: $14,561,000) from entities in the wholly-owned group.

During the financial year, entities within the wholly-owned group provided services to each other including recruitment, learning, payroll and various administrative functions.

Other transactions that occurred during the financial year between entities in the wholly-owned group were the advancement of interest-free loans.

Note 30: Financial Risk Management

(a) Financial Risk Management Policies

The consolidated entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries and leases.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

(i) Treasury Risk Management

Financial risk exposure and evaluation of treasury management strategies in the context of the most recent economic conditions and forecasts is actively managed on a day to day basis by the consolidated entity's Chief Financial Officer in consultation with the consolidated entity's Managing Director and Chief Executive Office and operates under policies approved by the board of directors.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(ii) Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services and long term borrowings in currencies other than the group's measurement currency.

The consolidated entity actively manages this exposure by entering into long term funding arrangements in the currency in which future cash flows are expected to be derived.

Liquidity risk

The group has to meet certain loan covenants over the debts drawn under the banking facilities. There were no breaches of loan covenants during the year.

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. At 30 June 2009 the group has unutilised borrowing facilities from bank totalling approximately $14 million (2008: $15 million).

Credit risk

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

The consolidated entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated entity.

In order to minimise the credit risk, the consolidated entity actively manages credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the consolidated entity reviews the recoverable amount of each individual trade receivable each month to ensure that adequate impairment charges are made. This process ensures that the consolidated entity's credit risk is minimised.

(b) Interest Rate Risk

(i) Interest Rates Sensitivity Analysis

In applying the sensitivity analysis the consolidated entity has determined -/+1% to be appropriate given the historical movements in interest rates in the regions in which it operates.

At 30 June 2009, if interest rates had changed by -/+1% from the year end rates, with all other variables held constant, both net profit for the year and equity for the group would have been $74,000 higher/$47,000 lower (2008: $29,000 higher /$15,000 lower).

For the parent entity, if interest rates had changed by -/+1% from the year end rates, with all other variables held constant, both net profit for the year and equity would have been $40,000 higher/$40,000 lower (2008: $21,000 higher /$21,000 lower).

	Consolidated Entity		**Parent Entity**	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Change in profit				
- Interest rate increase 1%	(47)	(15)	(40)	(21)
- Interest rate decrease 1%	74	29	40	21
Change in equity				
- Interest rate increase 1%	(47)	(15)	(40)	(21)
- Interest rate decrease 1%	74	29	40	21

(ii) Interest Rate Risk Exposure

(b) The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate				Fixed Interest Rate Maturing				Non-Interest Bearing		Total	
Consolidated Entity			**Within 1 Year**		**1 -5 Years**		**Within 1 Year**		**1 -5 Years**					
	2009 %	**2008 %**	**2009**	**2008 $000**	**2009**	**2008 $000**	**2009**	**2008 $000**	**2009 $000**	**2008 $000**	**2009 $000**	**2008 $000**	**2009 $000**	**2008 $000**
Financial Assets:														
Cash	0.4	2.8	20,977	17,600	-	-	-	-	-	-	-	-	20,977	17,600
Receivables	-	-	-	-	-	-	-	-	-	-	30,466	36,927	30,466	36,927
Total Financial Assets			**20,977**	**17,600**	**-**	**-**	**-**	**-**	**-**	**-**	**30,466**	**36,927**	**51,443**	**54,527**
Financial Liabilities:														
Trade and other payables	-	-	-	-	-	-	-	-	-	-	22,148	31,366	22,148	31,366
Bank loan	3.8	4.6	352	265	15,602	12,216	-	-	-	-	-	-	15,954	12,481
Lease liabilities	6.3	8.2	-	-	-	-	147	335	594	-	-	-	741	335
Total Financial Liabilities			**352**	**265**	**15,602**	**12,216**	**147**	**335**	**594**	**-**	**22,148**	**31,366**	**38,843**	**44,182**
Total Financial Assets/(Liabilities)			**20,625**	**17,335**	**(15,602)**	**(12,216)**	**(147)**	**(335)**	**(594)**	**-**	**8,318**	**5,561**	**12,600**	**10,345**
Parent Entity														
Financial Assets:														
Cash	0.5	2.3	63	77	-	-	-	-	-	-	-	-	63	77
Receivables	-	-	-	-	-	-	-	-	-	-	41,612	44,251	41,612	44,251
Total Financial Assets			**63**	**77**	**-**	**-**	**-**	**-**	**-**	**-**	**41,612**	**44,251**	**41,675**	**44,328**
Financial Liabilities:														
Trade and other payables	-	-	-	-	-	-	-	-	-	-	675	2,441	675	2,441
Bank loan	4.6	5.7	-	-	4,032	2,174	-	-	-	-	-	-	4,032	2,174
Total Financial Liabilities			**-**	**-**	**4,032**	**2,174**	**-**	**-**	**-**	**-**	**675**	**2,441**	**4,707**	**4,615**
Total Financial Assets /(Liabilities)			**63**	**77**	**(4,032)**	**(2,174)**	**-**	**-**	**-**	**-**	**40,937**	**41,810**	**36,968**	**39,713**

(c) Foreign Currency Risk

(i) Foreign Currency Risk Sensitivity Analysis

At 30 June 2009, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the various major currencies, with all other variables remaining constant is as follows:

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$000	$000	$000	$000
Change in profit				
- Improvement in AUD to USD by 5%	118	108	121	(114)
- Decline in AUD to USD by 5%	(107)	(98)	(110)	104
- Improvement in AUD to HKD by 5%	27	70	-	-
- Decline in AUD to HKD by 5%	(24)	(63)	-	-
- Improvement in AUD to YEN by 5%	295	223	-	-
- Decline in AUD to YEN by 5%	(267)	(202)	-	-
- Improvement in AUD to SGD by 5%	161	149	-	-
- Decline in AUD to SGD by 5%	(146)	(135)	-	-
- Improvement in AUD to GBP by 5%	214	219	-	-
- Decline in AUD to GBP by 5%	(193)	(123)	-	-
- Improvement in AUD to NZD by 5%	184	28	-	-
- Decline in AUD to NZD by 5%	(166)	(26)	-	-
Change in equity				
- Improvement in AUD to USD by 5%	118	108	121	(114)
- Decline in AUD to USD by 5%	(107)	(98)	(110)	104
- Improvement in AUD to HKD by 5%	27	70	-	-
- Decline in AUD to HKD by 5%	(24)	(63)	-	-
- Improvement in AUD to YEN by 5%	295	223	-	-
- Decline in AUD to YEN by 5%	(267)	(202)	-	-
- Improvement in AUD to SGD by 5%	161	149	-	-
- Decline in AUD to SGD by 5%	(146)	(135)	-	-
- Improvement in AUD to GBP by 5%	214	219	-	-
- Decline in AUD to GBP by 5%	(193)	(123)	-	-
- Improvement in AUD to NZD by 5%	184	28	-	-
- Decline in AUD to NZD by 5%	(166)	(26)	-	-

(ii) Foreign Currency Risk Exposure

The carrying amounts of the Group's and parent entity's financial instruments are denominated in the following currencies (Australian dollar equivalent amounts):

Consolidated Entity	2009 AUD $000	2009 NZD $000	2009 HKD $000	2009 MYR $000	2009 YEN $000	2009 SGD $000	2009 USD $000	2009 GBP $000	2009 Others $000	2009 TOTAL $000
Cash	10,918	3,488	609	595	2,299	1,298	-	160	1,610	20,977
Trade and other receivables	19,674	1,869	591	989	1,304	3,197	11	967	1,864	30,466
Trade and other payables	(13,718)	(1,863)	(695)	(358)	(1,370)	(1,427)	46	(1,098)	(1,665)	(22,148)
Borrowings	(2,468)	-	-	-	(7,830)	-	(2,307)	(4,090)	-	(16,695)
	14,406	**3,494**	**505**	**1,226**	**(5,597)**	**3,068**	**(2,250)**	**(4,061)**	**1,809**	**12,600**

Consolidated Entity	2008 AUD $000	2008 NZD $000	2008 HKD $000	2008 MYR $000	2008 YEN $000	2008 SGD $000	2008 USD $000	2008 GBP $000	2008 Others $000	2008 TOTAL $000
Cash	11,090	733	1,100	326	875	1,881	89	340	1,166	17,600
Trade and other receivables	23,906	2,497	1,590	676	1,758	2,942	27	2,270	1,261	36,927
Trade and other payables	(20,207)	(2,691)	(1,368)	(399)	(717)	(1,988)	8	(1,833)	(2,171)	(31,366)
Borrowings	(335)	-	-	-	(6,154)	-	(2,174)	(4,154)	1	(12,816)
	14,454	**539**	**1,322**	**603**	**(4,238)**	**2,835**	**(2,050)**	**(3,377)**	**257**	**10,345**

Parent Entity	2009 AUD $000	2009 NZD $000	2009 HKD $000	2009 MYR $000	2009 YEN $000	2009 SGD $000	2009 USD $000	2009 GBP $000	2009 Others $000	2009 TOTAL $000
Cash	63	-	-	-	-	-	-	-	-	63
Trade and other receivables	43,573	-	-	-	-	-	-	-	-	43,573
Trade and other payables	(675)	-	-	-	-	-	-	-	-	(675)
Borrowings	(1,725)	-	-	-	-	-	(2,307)	-	-	(4,032)
	41,236	**-**	**-**	**-**	**-**	**-**	**(2,307)**	**-**	**-**	**38,929**

Parent Entity	2008 AUD $000	2008 NZD $000	2008 HKD $000	2008 MYR $000	2008 YEN $000	2008 SGD $000	2008 USD $000	2008 GBP $000	2008 Others $000	2008 TOTAL $000
Cash	77	-	-	-	-	-	-	-	-	77
Trade and other receivables	46,351	-	-	-	-	-	-	-	-	46,351
Trade and other payables	(2,441)	-	-	-	-	-	-	-	-	(2,441)
Borrowings	-	-	-	-	-	-	(2,174)	-	-	(2,174)
	43,987	**-**	**-**	**-**	**-**	**-**	**(2,174)**	**-**	**-**	**41,813**

Note 31: Company Details

The registered office of the Company is:

Talent2 International Limited
Level 4, 77 Pacific Highway
North Sydney, NSW 2060
Australia

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 25 to 69, 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 2009 and of the performance for the year ended on that date of the Company and consolidated entity.

2. The Chief Executive Officer and Chief Financial Officer have each declared that:

(a) the financial records of the Company and consolidated entity for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

(b) the financial statements and notes for the financial year comply with the Accounting Standards; and

(c) the financial statements and notes for the financial year give a true and fair view.

3. 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.

Ken Allen AM
Chairman

Andrew Banks
Managing Director
Dated this 16th day of September 2009

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Independent Auditor's Report
To the Members of Talent2 International Limited

Report on the Financial Report

We have audited the accompanying financial report of Talent2 International Limited, (the company) which comprises the balance sheet as at 30 June 2009, 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, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

Grant Thornton

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 opinions.

Independence

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

Auditor's opinion

In our opinion:

a. the financial report of Talent2 International Limited is in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 13 to 20 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the Remuneration Report of Talent2 International Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON NSW
Chartered Accountants

N J Bradley
Partner – Audit & Assurance Services

Sydney, 16 September 2009

Additional stock exchange information

As at 31 August 2009

Number of Holders of Equity Securities

Ordinary Share Capital

126,794,602 (2008: 123,996,489) fully paid ordinary shares are held by 2,832 (2008: 3,114) shareholders. No shares are subject to escrow provisions imposed by the Australian Stock Exchange.

All issued ordinary shares carry one vote per share.

Options

14,702,919 (2008: 7,294,774) options are held by 514 (2008: 358) option holders.

Distribution of Holders of Equity Securities

	Fully Paid Ordinary Shares	Number of Shareholders
1 - 1,000	401,228	645
1,001 - 5,000	3,109,290	1,126
5,001 - 10,000	3,457,683	435
10,001 - 100,000	14,851,478	529
100,001 and over	104,974,923	97
	126,794,602	**2,832**
Holdings less than a marketable parcel (less than 410 fully paid ordinary shares)	54,784	196

Substantial Shareholders	Fully Paid Ordinary Shares	
Ordinary Shareholders	**Number**	**Percentage**
Morgan & Banks Investments Pty Ltd	29,537,369	23.30%
Portfolio Partners Limited	8,028,677	6.33%
InterPro Global Pte Limited	7,586,468	5.98%
	45,152,514	**35.61%**

	Name	Number	Percentage
1.	Morgan & Banks Investments Pty Limited	29,537,369	23.30%
2.	Portfolio Partners Limited	8,028,677	6.33%
3.	Interpro Global Pte Limited	7,586,468	5.98%
4.	J P Morgan Nominees Australia Limited	6,332,616	4.99%
5.	Citicorp Nominees Pty Limited	4,557,111	3.59%
6.	ANZ Nominees Limited	3,618,400	2.85%
7.	CPU Share Plans Pty Limited	3,314,078	2.61%
8.	HSBC Custody Nominees (Australia) Limited	3,142,353	2.47%
9.	Queensland Investment Corporation	2,882,683	2.27%
10.	Birdsall Pty Limited	2,231,334	1.76%
11.	Mirrabooka Investments Limited	1,900,000	1.50%
12.	Colleen Margot Davis	1,775,188	1.40%
13.	Mr Nicholas James Tuckfield	1,690,083	1.33%
14.	Equity Trustees Limited	1,649,061	1.30%
15.	UBS Nominees Pty Ltd	1,235,232	0.97%
16.	Argo Investments Limited	1,226,374	0.97%
17.	The Forbert Group Pty Limited	1,078,666	0.85%
18.	Europa Management Services Pty Limited	1,078,666	0.85%
19.	Ms Elena Clark	971,025	0.77%
20.	Mr William Michael Clark	971,025	0.77%
		84,806,409	**66.88%**

Company Secretary
David Patteson

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Facsimile: + 61 2 9087 6395

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Facsimile: + 61 2 9087 6395
Email: investor@talent2.com

Share Registry
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Perth WA 6000
Australia
Telephone: 1300 557 010 or + 61 8 9323 2000

Auditors
Grant Thornton NSW
Level 17, 383 Kent Street
Sydney NSW 2000
Australia
Telephone: + 61 2 8297 2400

Stock Exchange Listings
Talent2 International Limited ordinary shares are quoted by the Australian Stock Exchange (symbol "TWO")