

APPENDIX 4E

Preliminary final report

1. Name of Entity

Comdek Limited

ABN

91 059 950 337

Financial Year ended ('current period')

30th June 2005

2. For announcement to the market

Results for announcement to the market:

2.1	Revenues from ordinary activities	Up 25.35%	to	\$'000 5,390
2.2	Profit/(Loss) from ordinary activities after tax attributable to members	Down 1169%	to	(4,863)
2.3	Net profit/(loss) for the period attributable to members	Down 1169%	to	(4,447)
2.4	Dividends	Amount per security	Franked amount per security	
	Final dividend	Nil ¢	Nil ¢	
	Interim period	Nil ¢	Nil ¢	
	The company has proposed not to pay a dividend. <i>(Delete if not applicable)</i>			
2.5	Record Date for determining entitlements to the dividend	N/A		
2.6	Brief explanation of any of the figures reported above: No explanation necessary as the figures are self evident			
	No dividends were paid or are proposed for the current period or the previous period.			

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

- The accounts have been audited
 The accounts have been subject to review
 The accounts are in the process of being audited or subject to review
 The accounts have not yet been audited or reviewed

COMDEK LIMITED
CORPORATE GOVERNANCE STATEMENT
30 JUNE 2005

Significant Changes in State of Affairs

Comdek during this financial year acquired the business of Tasmanian based eSat Pty Ltd who supplied satellite services under the federal governments HiBIS scheme. This acquisition has enabled Comdek to significantly increase revenues in the satellite market and provides significant growth opportunities. Comdek has subsequent to the end of the financial year divested itself of two significant assets. The sale of its corporate ISP VianetAIP and the computer hardware division will enable to company to focus its marketing and operations on its HiBIS satellite and wireless business. These investments and divestments are geared to the future development of the group and securing our long-term profitability.

On the 9th June 2005 the Company requested the ASX to suspend its securities from quotation. At the Annual General Meeting on the 30th November 2005 the Company is seeking approval by shareholders at the to issue a maximum number of 100,000,000 Shares at a minimum issue price of 5 cents. Should the proposed capital raising proceed the Company will meet the ASX's working capital requirement and seek quotation of its securities on the ASX.

Dividends

No recommendation has been made for the payment of a dividend.

Events Subsequent to the Balance Date

On 1st July 2005 Comdek Ltd announced that it had completed the sale of its corporate ISP business VianetAIP.

The consideration for the sale of the business was the payment of \$600,000 in cash and a further payment in 60 days of a further \$150,000 dependent upon a calculation of customer churn after this period of time.

The financial effect of the sale has not be recognised in the accounts at the balance date.

Subsequent to 30 June 2005 the Company has reached agreement with Bardev Pty Ltd for the provision of a revolving loan facility up to a maximum of \$ 700,000.

On the 25th July 2005 5,000,000 ordinary shares were issued at 12 cents for VSAT stock to the value of \$ 600,000.

On the 31st October 2005 Comdek's Computer hardware division was sold to Domain Digital Pty Ltd for \$60,000 in cash only consideration. Domain Digital will assemble and supply Comdek branded personal computer equipment under license from Comdek to government agencies. Domain Digital becomes the primary dealer for Comdek under Comdek's 16503a common use contract for the supply of Computer hardware to government.

Other than the above, no matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

COMDEK LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
REVENUES FROM ORDINARY ACTIVITIES					
	2	5,390,274	4,300,176	2,440,976	2,300,079
Raw materials and consumables used	3	(4,844,829)	(2,278,210)	(3,226,992)	(1,487,735)
Depreciation and amortisation expenses	3	(1,838,354)	(523,932)	(1,184,904)	(141,171)
Borrowing costs expense	3	(214,430)	(351,606)	(112,125)	(306,829)
Occupancy costs expense		(320,024)	(177,080)	(78,780)	(134,119)
Salaries and employee benefits expense		(1,525,397)	(761,041)	(400,964)	(283,448)
Administrative expenses		(1,510,721)	(624,162)	(684,786)	(212,113)
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		(4,863,481)	(415,855)	(3,247,575)	(265,336)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	4	-	-	-	-
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		(4,863,481)	(415,855)	(3,247,575)	(265,336)
NET LOSS ATTRIBUTABLE TO OUTSIDE EQUITY INTEREST	16	-	-	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF COMDEK LIMITED	15	(4,863,481)	(415,855)	(3,247,575)	(265,336)
Share Issue Costs		-	(329,345)	-	(329,345)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO MEMBERS OF COMDEK LIMITED AND RECOGNISED DIRECTLY IN EQUITY	10	-	(329,345)	(1,117,164)	(329,345)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS ATTRIBUTABLE TO MEMBERS OF COMDEK LTD		(4,863,481)	(745,200)	(4,364,739)	(594,681)
Basic Earnings per share	27	(11.1) cents	(1.3) cents		
Diluted Earnings per share	27	(11.1) cents	(1.3) cents		

COMDEK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

		Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
	Notes				
CURRENT ASSETS					
Cash assets		825	135,437	479	104,337
Receivables	5	343,170	754,132	78,319	179,545
Inventories	6	548,475	1,092,719	548,475	1,069,280
Other	7	1,226	157,655	-	11,626
TOTAL CURRENT ASSETS		893,696	2,139,943	627,273	1,364,789
NON-CURRENT ASSETS					
Receivables	5	211,776	61,476	2,782,031	1,871,877
Other financial assets	10	1	-	331,518	1,448,682
Plant and equipment	8	1,527,361	1,766,670	164,236	214,336
Intangible assets	9	2,558,050	1,784,258	1,009,726	201,932
Other	7	-	320,541	-	74,195
TOTAL NON-CURRENT ASSETS		4,297,188	3,932,944	4,287,511	3,811,022
TOTAL ASSETS		5,190,884	6,072,888	4,914,784	5,175,811
CURRENT LIABILITIES					
Payables	11	2,465,315	1,021,960	1,552,189	167,145
Interest-bearing liabilities	12	853,644	231,638	520,955	60,507
Current tax liabilities	4	-	223,553	-	50,132
Provisions	13	36,218	253,431	19,932	178,061
TOTAL CURRENT LIABILITIES		3,355,177	1,730,582	2,093,076	455,844
NON-CURRENT LIABILITIES					
Payables	11	-	-	-	-
Interest-bearing liabilities	12	1,949,685	946,108	1,835,361	833,643
TOTAL NON-CURRENT LIABILITIES		1,949,685	946,108	1,835,361	833,643
TOTAL LIABILITIES		5,304,862	2,676,690	3,928,437	1,289,487
NET ASSETS		(113,978)	3,396,198	986,347	3,886,323
EQUITY					
Contributed equity	14	5,679,003	4,325,755	5,679,003	4,325,755
Accumulated losses	15	(5,792,981)	(929,557)	(4,692,656)	(439,432)
Parent entity interest		(113,978)	3,396,198	986,347	3,886,323
Outside equity interest	16	-	-	-	-
TOTAL EQUITY		(113,978)	3,396,198	986,347	3,886,323

COMDEK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		6,170,629	4,410,082	2,391,369	2,446,341
Payments to suppliers and employees		(7,395,873)	(4,037,165)	(2,792,714)	(2,714,882)
Borrowings costs paid		(270,291)	(294,749)	(135,143)	(282,152)
Income tax paid		-	(12,000)	-	-
Net cash provided by/(used in) operating activities	17(d)	(1,495,535)	(66,168)	(536,488)	(550,693)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	-	-	-
Payment for property, plant and equipment		(10,511)	(241,486)	(12,859)	(39,981)
Purchase of Controlled Entities	17 (e)	-	(1,245,256)	-	(819,622)
Payment for other non-current assets		-	(129,915)	-	-
Net cash used in investing activities		(10,511)	(1,616,657)	(12,859)	(859,603)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from share issue		-	2,556,500	-	2,556,500
Payment of share issue costs		-	(329,345)	-	(329,345)
Repayment of borrowings		-	(23,303)	-	-
Advances from / (to) related parties		1,120,000		1,120,000	
Advances from / (to) related parties			(15,071)	(759,854)	(345,413)
Proceeds from / (repayments of) finance leases		(25,286)	(279,529)	(66,968)	(66,970)
Net cash provided by financing activities		1,095,003	1,909,252	293,178	1,814,772
Net increase in cash held		(411,332)	358,763	(256,169)	404,476
Cash at beginning of period		65,273	(293,491)	104,337	(300,139)
Cash at end of period	17(a)	(346,059)	65,272	(151,832)	104,337

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 including applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial report has been prepared in accordance with the historical cost convention, except for current listed shares measured at market value.

The accounting policies adopted are consistent with those of the previous year.

(b) Financial Position

The financial report has been prepared on a going concern basis

As at 30 June 2005, the following matters are considered pertinent when considering the ability of the Consolidated Entity to continue as a going concern

- On the 25th July 2005 5,000,000 ordinary shares were issued at 12 cents for VSAT stock to the value of \$ 600,000.
- Subsequent to 30 June 2005 the Company has reached agreement with Bardev Pty Ltd for the provision of a revolving loan facility up to a maximum of \$ 700,000.
- The Company is seeking approval by shareholders at the Annual General Meeting on the 30th November 2005 to issue a maximum number of 100,000,000 Shares at a minimum issue price of 5 cents. Assuming the maximum number of 100,000,000 Shares is issued at the minimum price of 5 cents, then \$5,000,000 will be raised. The purpose of funds raised from the share issue will be used to retire debt of approximately \$700,000 (in the event it is not retired by other means), pay transaction costs of approximately \$200,000, meet ongoing corporate overheads of approximately \$200,000 and to apply the balance to expand the Company's operations and provide general working capital.
- If the Capital raising should not proceed this would materially impact on the Consolidated Entity to continue on a going concern basis.

(c) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising Comdek Limited (the parent company) and all entities that Comdek Limited controlled from time to time during the year and at balance date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

Subsidiary acquisitions are accounted for using the purchase method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(d) Earnings per share

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(e) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

(f) Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due.

(g) Investments

All non current investments are carried at the lower of cost and recoverable amount. Listed shares held for trading are carried at net market value. Changes in net market value are recognised as a revenue or expense in determining the net profit for the period.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- *raw materials* purchase cost on a first in first out basis; and
- *finished goods and work in progress* cost of direct material and labour and a portion of overheads based on normal operating capacity.

(i) Recoverable amount

Non-current assets measured using the cost basis are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount, the expected net cash flows have not been discounted to their present value.

(j) Plant and equipment

Plant and equipment is measured at cost.

Depreciation

Depreciation is provided on a straight line basis on all plant and equipment.

Major depreciation periods are consistent with the prior year and are as follows:

Plant and equipment	3 to 5 years
Satellite infrastructure	5 to 10 years

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

The lease incentive liability in relation to the non-cancellable operating lease is being reduced on an imputed interest basis over the lease term (5 years) at the interest rate implicit in the lease. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

Finance Leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the group are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

(l) Intangibles

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity.

Goodwill is amortised on a straight-line basis over the anticipated period from which benefits will arise being no more than 20 years. The unamortised balance is reviewed at each reporting date. Where the balance exceeds the value of expected future benefits, the difference is charged to the statements of financial performance

(m) Other non current assets

Research and development costs

Research and development costs are expensed as incurred, except where future benefits are expected, beyond any reasonable doubt, to exceed those costs. Where research and development costs are deferred such costs are amortised over future periods on a basis related to expected future benefits. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable and any amount identified is written off. Research and development costs are currently amortised over 10 years on a straight line basis.

Web Site development costs

Web Site development costs are expensed as incurred, except where future benefits are expected, beyond any reasonable doubt, to exceed those costs. Where Web Site development costs are deferred such costs are amortised over future periods on a basis related to expected future benefits. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable and any amount identified is written off. Website development costs are currently amortised over 4 years on a straight line basis.

(n) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Interest Bearing Liabilities

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Convertible notes are carried at the principal amount. Part consideration for the acquisition of Vianetaip Pty Ltd was through the issue of a convertible note with interest accruing quarterly at 10% per annum. The convertible note has a repayment date of 24 March 2006.

Finance lease liabilities are determined in accordance with the requirements of AASB 1008 "Leases".

(p) Provisions

Provisions are recognised when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(q) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

Preference shares

Preference shares are recognised at the fair value of the consideration received by the company.

(r) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Control of the goods has passed to the buyer.

Rendering of services

Where the service has been provided to the customer.

Interest

Control of the right to receive the interest payment.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Taxes

Income taxes

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Goods and Services Tax

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

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at the amount the liability is expected to be settled at. All other employee benefits liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefits expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave entitlements; and
- other types of employee benefits are charged against profits on a net basis in their respective categories.

(u) Comparatives

Where necessary comparatives have been reclassified and repositioned for consistency with current year disclosures.

(v) International Accounting Standards

With regard to AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, the Company has instigated a continual review of International Accounting Standards and the effects they will have on the Company's future financial statements.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Consolidated Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES				
Revenue from operating activities				
Revenue from sale of goods	1,165,066	2,364,956	1,044,907	2,244,091
Revenue from rendering of services	4,203,135	1,879,937	1,390,331	22,272
Total revenues from operating activities	5,368,201	4,244,894	2,435,238	2,266,363
Revenue from non-operating activities				
Rent	5,500	12,858	5,500	14,618
Proceeds on disposal of plant and equipment	16,335	23,325	-	-
Interest Received	238	19,099	238	19,099
Other revenue	-	-	-	-
Total revenues from non-operating activities	22,073	55,282	5,738	33,717
Total revenue from ordinary activities	5,390,274	4,300,176	2,440,976	2,300,079
3. EXPENSES AND LOSSES/(GAIN)				
(a) Expenses				
Cost of goods sold	4,844,829	2,278,210	3,226,992	1,487,735
Depreciation of non current assets				
Plant and equipment	266,857	177,121	55,927	85,677
Leased plant and equipment	41,009	92,458	9,002	14,227
	307,866	269,579	64,929	99,904
Amortisation of non current assets				
Goodwill	1,133,391	213,250	1,045,780	19,752
Research & Development	323,738	18,752	-	-
Website	73,359	22,351	74,195	21,515
	1,530,488	254,353	1,119,975	41,267
Total depreciation and amortisation expenses	1,838,354	523,932	1,184,904	141,171
Borrowing costs expensed				
Convertible Note Interest	65,928	257,146	46,394	257,146
Debenture Interest	-	2,512	-	2,512
Finance Lease	62,410	37,758	6,461	5,578
Overdraft & Other	86,092	54,190	59,270	41,593
Total Borrowing Costs Expensed	214,430	351,606	112,125	306,829

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Consolidated Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Notes				
3. EXPENSES AND LOSSES/(GAINS)				
(Continued)				
Bad and doubtful debts	201,382	107,612	111,797	26,027
Operating Minimum Lease Rentals	-	22,680	-	-
(b) Losses/(gains)				
Net loss (gain) on disposal of plant and equipment	(20,583)	(3,325)	-	-
4. INCOME TAX				
The prima facie tax on profit/(loss) differs from the income tax provided in the financial statements as follows:				
Prima facie tax on profit/(loss) from ordinary activities at 30%	(1,459,044)	(124,756)	(974,273)	(79,601)
Tax effect of permanent differences				
Amortisation of Goodwill	340,017	63,975	313,734	5,926
Other		-		-
	(1,119,027)	(60,781)	(660,539)	(73,675)
Under/(over) provision for income tax in prior period	-	-	-	-
Utilisation of prior year losses	-	-	-	-
Reduction of deferred income tax balances as realisation not considered virtually certain	1,119,027	60,781	660,539	73,675
Income tax expense/(benefit) attributable to ordinary activities	-	-	-	-
Tax assets and liabilities				
Current tax payable	54,560	223,553	54,560	50,132
Provision for deferred income tax	-	-	-	-
Deferred tax asset	-	-	-	-

Legislation is enacted to allow groups, comprising of a parent entity and its Australian resident wholly owned entities, to elect to consolidate and be treated as a single entity for income tax purposes. The legislation, which includes both mandatory and elective elements, is applicable to the Company.

As at the reporting date, the Directors have not made a decision to elect to be taxed as a single entity. In accordance with Urgent Issues Group (UIG) Consensus Views, UIG 39 "Effect of proposed tax consolidation legislation on deferred tax balances", the financial effect of the legislation has therefore not been brought to account in the financial report for the year ended 30 June 2005, except to the extent that adoption of the tax consolidation would impair the carrying value of any deferred tax assets

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
5. RECEIVABLES					
CURRENT					
Trade debtors	(a)	673,904	885,953	202,707	194,339
Less provision for doubtful debts		(330,734)	(132,390)	(124,388)	(15,277)
		343,170	753,563	78,319	179,062
Other debtors	(a)	-	569	-	483
Amounts receivable from:					
- associated companies	(a)	-	-	-	-
		-	569	-	483
		343,170	754,132	78,319	179,545
NON CURRENT					
Amounts receivable from:					
- other	(a)	211,776	61,476	150,783	-
- controlled entities	(a)	-	-	2,631,248	1,871,877
- director related parties	(a)	-	-	-	-
		211,776	61,476	2,782,031	1,871,877
(a) Terms and conditions					
Terms and conditions of the above financial instruments					
(i) Trade debtors are non interest bearing and generally on 30 day terms.					
(ii) Other debtors are non interest bearing and have repayment terms between 30 and 90 days.					
(iii) Details of the terms and conditions of related party receivables are set out in note 24.					
6. INVENTORIES					
Work in progress - at cost		-	62,039	-	43,074
Finished goods - at cost		548,475	1,030,680	548,475	1,026,206
		548,475	1,092,719	548,475	1,069,280

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
7. OTHER ASSETS					
CURRENT					
Prepayments		1,226	157,655	-	11,626
Deferred IPO costs		-	-	-	-
		1,226	157,655	-	11,626
NON CURRENT					
Research and development	(a)	-	246,804	-	-
Web site development	(a)	-	73,359	-	74,195
Shares in Listed Entities	(b)	-	378	-	-
Capitalised borrowing costs		-	-	-	-
		-	320,541	-	74,195
(a) Reconciliation of non current assets					
Research and development					
Costs capitalised at beginning of the year		246,804	135,641	-	-
Costs incurred during the year and deferred Amortisation		76,934	129,915	-	-
		(16,887)	(18,752)	-	-
Costs written off during the year		(306,851)	-	-	-
		-	246,804	-	-
Web Site development					
Costs capitalised at beginning of the year		73,359	95,710	74,195	95,710
Costs incurred during the year and deferred Amortisation		-	-	-	-
		(22,351)	(22,351)	(22,351)	(21,515)
Costs written off during the year		(51,008)	-	(51,844)	-
		-	73,359	-	74,195

(b) Quoted market value at balance date of investments listed on a prescribed stock exchange was \$378.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
8. PLANT AND EQUIPMENT					
Plant and Equipment (at cost)		2,850,379	2,443,697	979,510	966,650
Accumulated depreciation		(1,687,341)	(1,280,168)	(831,277)	(777,319)
	(a)	1,163,038	1,163,529	148,233	189,331
Leased plant and equipment (at cost)	(b)	463,454	859,627	43,578	43,578
Accumulated amortisation		(99,131)	(256,486)	(27,575)	(18,573)
	(a)	364,323	603,141	16,003	25,005
Total plant and equipment		1,527,361	1,766,670	164,236	214,336
(a) Reconciliation of plant and equipment					
Plant and equipment					
Carrying amount at beginning		1,163,529	872,019	189,331	235,027
Additions		59,129	241,486	14,829	39,981
Addition through acquisition of entities	17(e)	-	247,145	-	-
Disposals		(151,030)	(20,000)	-	-
Transfers from leased equipment		358,267	-	-	-
Depreciation expense		(266,857)	(177,121)	(55,927)	(85,677)
		1,163,038	1,163,529	148,233	189,331
Leased plant and equipment					
Carrying amount at beginning		603,141	505,301	25,005	39,232
Additions		160,458	65,633	-	-
Addition through acquisition of entities	17(e)	-	124,665	-	-
Transfers to plant and equipment		(358,267)	-	-	-
Amortisation expense		(41,009)	(92,458)	(9,002)	(14,227)
		364,323	603,141	16,003	25,005
(b) Assets pledged as security					
Assets under lease are pledged as security for the associated lease liabilities.					
9. INTANGIBLE ASSETS					
Goodwill at cost		3,920,843	2,013,660	2,088,523	234,950
Accumulated amortisation		(1,362,793)	(229,402)	(1,078,797)	(33,017)
		2,558,050	1,784,258	1,009,726	201,932

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
10. OTHER FINANCIAL ASSETS					
Shares in controlled entities at cost		1	-	1,448,682	1,448,682
Provision for change in value		-	-	(1,117,164)	
		1	-	331,518	1,448,682
Particulars relating to controlled entities:					
Chief Entity	Country of incorporation	Percentage held of controlled entity		Chief entity investment	
		2005	2004	2005	2004
				\$	
Chief Entity: Comdek Limited					
Controlled entities:					
Comdek Satellite Communications Pty Ltd					
	Aus	100%	100%	250,080	250,080
Comdek Technology Pty Ltd					
	Aus	66%	66%	nil	36,102
Vianetaip Pty Ltd (a)					
	Aus	100%	100%	81,438	1,162,500
				331,518	1,448,682

(a) Vianetaip Pty Ltd is a corporate IP specialising in ADSL. On 25 March 2004 Comdek Ltd acquired Vianetaip.

11. PAYABLES

CURRENT

Trade creditors	(i)	1,371,692	752,272	763,555	140,988
Other creditors	(ii)	1,093,623	169,260	788,634	26,157
Related creditors	28(g)(iii)		100,428		-
		2,465,315	1,021,960	1,552,189	167,145

(a) Terms and conditions

Terms and conditions of the above financial instruments

(i) Trade creditors are non interest bearing and generally on 30 day terms.

(ii) Other creditors are non interest bearing and have repayment terms between 30 and 90 days.

This includes \$ 600,000 which has been converted to shares issued on the 25th July 2005

(iii) Relates to share buyback and borrowing with former Directors of Vianetaip Pty Ltd.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

		Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
			\$	\$	\$
12. INTEREST BEARING LIABILITIES		Notes			
CURRENT					
<i>Unsecured liabilities</i>		310,000		310,000	
		-	-	-	-
<i>Secured liabilities</i>					
Lease liability	(a)(i), 12(a),18	196,760	161,473	58,644	60,507
Other Loan		-	-	-	-
Bank overdrafts	17(b)(iv)	346,884	70,165	152,311	-
		543,644	231,638	210,955	60,507
		853,644	231,638	520,955	60,507
NON CURRENT					
<i>Unsecured liabilities</i>					
Loans	(ii)	1,120,000		1,120,000	
Convertible notes	(a)(iii), 17(e)	715,361	775,000	715,361	775,000
		1,835,361	775,000	1,835,361	775,000
<i>Secured liabilities</i>					
Lease liability	18	114,324	171,108	-	58,643
		114,324	171,108	-	58,643
		1,949,685	946,108	1,835,361	833,643

(a) Terms and conditions

Terms and conditions of the above financial instruments

(i) Lease agreements have an average lease term of 3 years at average commercial interest rates. The liability is secured over the leased assets.

(ii) The loan is repayable within 2 yrs and subject to normal commercial terms and conditions..

(iii) Convertible notes

At 30 June 2005 there were convertible notes with a face value of \$1,025,361 on issue (2004: \$775,000). Interest at 10% pa is paid quarterly on convertible notes with a face value of \$310,000 at the end of each quarter. Each of these convertible notes is convertible into fully paid ordinary shares at a value of 20 cents per share.

The balance of convertible notes with a face value of \$ 715,361 have no coupon value and are convertible into fully paid ordinary shares at a value of 16.64 cents per share

(iv) Overdraft with Vianetaip Pty Ltd secured against this subsidiary and guaranteed by Comdek Ltd.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
13. PROVISIONS					
CURRENT					
Employee entitlements	22	36,218	253,431	19,932	178,061
		36,218	253,431	19,932	178,061

14. CONTRIBUTED EQUITY

Issued and paid up capital

41,280,000 Ordinary shares	6,008,348	4,655,100	6,008,348	4,655,100
Less: IPO Costs	(329,345)	(329,345)	(329,345)	(329,345)
	5,679,003	4,325,755	5,679,003	4,325,755
	5,679,003	4,325,755	5,679,003	4,325,755

(a) Movements in shares on issue

(i) *Ordinary shares* -. The issued capital is reconciled as follows:

	2005		2004	
	# of Shares	\$	# of Shares	\$
Beginning of Financial year	41,280,000	4,325,755	24,000,000	100
Share Split				
Share Consolidation			15,500,000	
Preference Shares converted to shares at 20 cents			9,602,500	1,419,500
Convertible Notes converted to shares at 20 cents			3,395,000	679,000
Shares issued at 20 cents through Prospectus			12,782,500	2,556,500
Shares issued at 13 cents in lieu of employee cash bonus	23,076	3,000		
Convertible Notes converted to shares at 11.92 cents	3,900,000	465,000		
Shares issued at 16.64 cents consideration of acquisition of eSat Communication Pty Ltd	5,320,000	885,248		
Less : Costs of Issue				-329,345
Total	50,523,076	5,679,003	41,280,000	4,325,755

(b) Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and in the event of the winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares are entitled to one vote, either in person or by proxy, at a meeting of the company.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
15. ACCUMULATED LOSSES					
Accumulated losses	(a)	(5,792,981)	(929,557)	(3,575,492)	(439,432)
(a) Accumulated losses					
Balance at the beginning of the year		(929,557)	(513,702)	(439,432)	(174,095)
Net profit/(loss) attributable to members of Comdek Limited		(4,863,424)	(415,855)	(3,136,060)	(265,336)
Balance at the end of the year		(5,792,981)	(929,557)	(3,575,492)	(439,432)

16. OUTSIDE EQUITY INTEREST

Outside equity interest	(a)	-	-	-	-
(a) Outside equity interest					
Opening balance		-	(84,274)	-	-
Acquisition of 100% of controlled entities		-	84,274	-	-
Other		-	-	-	-
Share of operating losses		-	-	-	-
Closing balance		-	-	-	-

17. STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

Cash at bank		825	135,437	479	104,337
Bank overdrafts	12,26	(346,884)	(70,165)	(152,311)	-
		(346,059)	65,272	(151,832)	104,337

(b) Financing facilities available to the consolidated entity

At balance date the consolidated entity had access to a bank overdraft amounting to \$ 375,000 (2004: \$175,000). At balance date \$ 346,884 (2004: \$70,165) of the facility had been utilised.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Consolidated Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Notes				
17. Statement of Cash Flows (continued)				
(c) Non cash financing activities				
The consolidated entity and chief entity have not entered into any non cash financing activities other than the acquisition of plant and equipment by lease agreement as set out in notes 8 and 12.				
(d) Reconciliation of net cash flows from operations to the operating profit/(loss) after tax				
Profit/(loss) from operating activities after tax	(4,841,981)	(415,855)	(2,512,966)	(265,336)
Depreciation and amortisation	1,514,968	523,932	394,462	141,171
Charges to provisions	-	343,361	-	147,360
Write back of loans no longer payable	-	-	-	-
(Gain) / Loss on sale of plant and equipment	-	-	-	-
Other non cash items	-	57,758	-	5,578
Changes in assets and liabilities				
Receivables	212,996	128,436	(7,885)	(164,923)
Inventories	544,244	(317,110)	520,805	(297,631)
Other assets	(150,300)	(130,895)	(150,300)	13,725
Payables	1,228,005	(284,880)	1,278,891	(448,483)
Other Liabilities	(3,467)	-	(59,494)	-
Tax provisions	-	161,421	-	(12,000)
	(1,495,535)	(66,168)	(536,488)	(550,693)

(e) Acquisition of Controlled Entity

On 1st October 2004, Comdek Ltd contracted to purchase the VSAT business from ESAT Pty Ltd. The components of the acquisition cost were:

	\$
Consideration	
- shares	885,248
- convertible note	<u>1,115,513</u>
	2,600,761

Refer to note 12 for further details about the convertible note.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
18. EXPENDITURE COMMITMENTS					
(a) Lease commitments - <i>Finance Leases</i>					
Payable					
- not later than one year		217,937	190,597	61,387	66,969
- later than one year and not later than five years		123,368	175,702	-	61,387
Minimum Lease payments		341,306	366,299	61,387	128,356
Less future finance charges		(30,223)	(33,717)	(2,744)	(9,205)
		311,083	332,582	58,643	119,150
Represented by:					
Current liability	12,26	196,759	161,473	58,643	60,507
Non-current liability	12,26	114,324	171,108	-	58,463
		311,083	332,582	58,643	119,150

Lease agreements have an average term of 3 years at an average commercial interest rate. Assets, which are subject to leases, include a range of information technology equipment.

19. CONTINGENT LIABILITIES

There are no contingent liabilities of the Company.

20. SEGMENT INFORMATION

The consolidated entity operates predominantly in one business segment, the supply of computer hardware and support services in one geographical segment, Australia.

21. ECONOMIC DEPENDENCY

The consolidated entity does not have any economic dependency with any one client or group of clients.

	Notes	Consolidated Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
22. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS					
Employee Entitlements					
The aggregate employee entitlements liability is comprised of:					
Provisions (current)	13	36,218	253,431	19,932	178,061

Superannuation Commitments

Employees and the employer contribute to a number of complying accumulation funds at varying percentages of salaries and wages. The consolidated entity's contributions are not legally enforceable other than those payable in terms of ratified award obligations required by the Occupational Superannuation Act.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

23. AUDITORS REMUNERATION

Amounts received or due and receivable by
Somes and Cooke for:

- an audit of the financial report of the entity and any other entity in the consolidated entity	30,000	66,800	30,000	66,800
- other services in relation to the entity and any other entity in the consolidated entity (independent reports)	-	69,300	-	69,300
	30,000	136,100	30,000	136,100

24. RELATED PARTY DISCLOSURES

Ultimate Parent

Comdek Limited is the ultimate parent company.

Group Transactions

During the year funds have been advanced between entities within the consolidated entity for the purposes of working capital requirements only. The aggregate of amounts due from controlled entities at balance date is made up of \$2,631,248 (2004: \$1,945,850) in loans and \$ nil (2004: \$15,557) in trade debtors. All loans are interest free and have no fixed repayment date.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

25. SUBSEQUENT EVENTS

On 1st July 2005 Comdek Ltd announced that it had completed the sale of its corporate ISP business VianetAIP.

The consideration for the sale of the business was the payment of \$600,000 in cash and a further payment in 60 days of a further \$150,000 dependent upon a calculation of customer churn after this period of time.
The financial effect of the sale has not been recognised in the accounts at the balance date

Subsequent to 30 June 2005 the Company has reached agreement with Bardev Pty Ltd for the provision of a revolving loan facility up to a maximum of \$ 700,000.

On the 25th July 2005 5,000,000 ordinary shares were issued at 12 cents for VSAT stock to the value of \$ 600,000.

On the 31st October 2005 Comdek's Computer hardware division was sold to Domain Digital Pty Ltd for \$60,000 in cash only consideration. Domain Digital will assemble and supply Comdek branded personal computer equipment under license from Comdek to government agencies. Domain Digital becomes the primary dealer for Comdek under Comdek's 16503a common use contract for the supply of Computer hardware to government.

At a Directors Meeting on 28th October 2005 Norman Hilton resigned as a Director of the Company.

At a Directors Meeting on 31st October 2005 Harry Kelly resigned as a Director of the Company.

The Company Secretary is awaiting written confirmation of these resignations

At the Annual General Meeting on the 30th November 2005 The Company is seeking approval by shareholders to issue a maximum number of 100,000,000 Shares at a minimum issue price of 5 cents. Assuming the maximum number of 100,000,000 Shares is issued at the minimum price of 5 cents, then \$5,000,000 will be raised. The purpose of funds raised from the share issue will be used to retire debt of approximately \$700,00 (in the event it is not retired by other means), pay transaction costs of approximately \$200,000, meet ongoing corporate overheads of approximately \$200,000 and to apply the balance to expand the Company's operations and provide general working capital

Other than the above, no matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

COMDEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2005

26. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

Fixed Interest Rate Maturing in:

FINANCIAL INSTRUMENTS	FLOATING INTEREST RATE		1 YEAR OR LESS		OVER 1 TO 5 YEARS		MORE THAN 5 YEARS		NON-INTEREST BEARING		TOTAL		AVERAGE EFFECTIVE INTEREST RATE	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS														
Cash assets	-	-	-	-	-	-	-	-	174,853	135,437	174,853	135,437	-	-
Trade Receivables	-	-	-	-	-	-	-	-	673,904	754,132	673,904	754,132	-	-
Related party receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	848,757	889,569	848,757	889,569	-	-
FINANCIAL LIABILITIES														
Bank overdraft	520,624	70,165	-	-	-	-	-	-	-	-	520,624	70,165	10.52%	9.67%
Payables	-	-	-	-	-	-	-	-	1,669,386	1,021,960	1,669,386	1,021,960	-	-
Lease liabilities	-	-	196,760	161,473	114,324	171,108	-	-	-	-	311,083	332,581	8.21%	9.2%
Convertible notes	-	-	-	-	310,000	775,000	-	-	715,361	-	1,025,361	775,000	2.87%	10%
Related party Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	520,624	70,165	196,760	161,473	424,324	946,108	-	-	2,384,747	1,021,960	3,526,454	2,199,706	-	-

COMDEK LIMITED
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FOR THE YEAR ENDED 30 JUNE 2005

26. FINANCIAL INSTRUMENTS (continued)

(b) Net fair values of financial assets and liabilities

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date, is the same as the amount shown on the statement of financial position.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Recognised Financial Instruments

Cash and cash equivalent: The carrying amount approximates fair value because of their short-term maturity.

Trade receivables, payables and interest bearing liabilities: The carrying amount approximates fair value.

(c) Credit Risk Exposures

The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount, net of any provision for doubtful debts, of those assets as indicated in the balance sheet.

Concentration of Credit Risk

The consolidated entity minimises concentrations of credit risk in relation to accounts receivable by undertaking transactions with a large number of customers. However, all of the customers are concentrated in Australia. The consolidated entity is not materially exposed to any individual overseas country or individual customer.

27. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of the basic and diluted earnings per share:

	Consolidated Entity	
	2005	2004
		\$
Net Loss	4,841,981	415,855
Weighted average number of ordinary shares used in calculation of earnings/share;	43,604,488	32,686,666
Effect of dilutive securities:		
Share Options		=
Adjusted weighted average number of ordinary shares used in calculation of earnings/share;	43,604,488	32,686,666

28. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Specified Directors and Specified Executives

(i) Specified directors

Hendy Cowan

Haydn Collins

Jeff Garrett

David Falconer

Norman Hilton

Harry Kelly

(ii) Specified executives

Richard Wolanski Chief Financial Officer

COMDEK LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2005

(b) Remuneration of Specified Directors and Specified Executives

(i) Remuneration Policy

It is the company's objective provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee links the nature and amount of executive directors' and officers' emoluments to the company's financial and operational performance. The expected outcomes of the remuneration structure are:

- Retention and Motivation of key executives
- Attraction of quality management to the company
- Performance incentives which allow executives to share the rewards of the success of Comdek

In relation to the payment of bonuses, options an other incentive payments, discretion is exercised by the board, having regard to the overall performance of Comdek and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

(ii) Remuneration of Specified Directors and Specified Executives

		<i>Base Salary & Fees</i>	<i>Bonuses</i>	<i>Non Cash benefits</i>	<i>Super Contributions</i>	<i>Options issued</i>	<i>Termination and retirement benefits</i>	<i>Total</i>
<u>Directors</u>		\$	\$	\$	\$	\$	\$	\$
H. Cowan	Chairman	20,000	-	-	1,800	-	-	21,800 (2004: 18,167)
H. Collins	Managing Director	99,999	-	-	8,999	-	-	108,998 (2004: 126,749)
J. Garrett	Executive Director	88,269	-	-	7,944	-	-	96,213 (2004: 89,0921)
D. Falconer	Non-executive Director	20,000	-	-	1,800	-	-	21,800 (2004: 18,167)
N.Hilton	Non-executive Director	5,000	-	-	450	-	-	5,450 (2004: nil)
H.Kelly	Non-executive Director	5,000	-	-	450	-	-	5,450 (2004: nil)
<u>Executives</u>								
R. Wolanski	Chief Financial Officer	41,515	-	-	3,736	-	-	45,251 (2004: 111,520)

Terms & Conditions for Each Grant

	<i>Vested</i>	<i>Granted</i>					
	<i>Number</i>	<i>Number</i>	<i>Grant date</i>	<i>Value per option at grant date (\$)</i>	<i>Exercise Price per share (\$)</i>	<i>First Exercise Date</i>	<i>Last Exercise Date</i>
Specified Executives							
R. Wolanski	-	100,000	4 March 2004	6.19	0.14	1 November 2004	3 March 2007
R. Wolanski	-	150,000	4 March 2004	4.70	0.20	1 November 2004	3 March 2007
Total	-	<u>250,000</u>					

COMDEK LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2005

(c) Option holdings of specified directors and specified executives

	<i>Balance at beginning of period</i>	<i>Granted as Remuneration</i>	<i>Options Exercised</i>	<i>Net Change Other</i>	<i>Balance at end of period</i>	<i>Granted at 30 June 2004</i>		
	<i>1 July 2004</i>			<i>#</i>	<i>30 June 2005</i>	<i>Total</i>	<i>Not exercisable</i>	<i>Exercisable</i>
Specified Executives								
R. Wolanski	250,000		-	-	250,000	-	-	-
Total	250,000		-	-	250,000	-	-	-

(e) Shareholdings of Specified Directors and Specified Executives

<i>Shares held in Comdek Ltd (number)</i>	Balance 1 July 04	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 05
Specified Directors					
H. Cowan	249,840	-	-		249,840
H. Collins	6,006,000	-	-		6,006,000
J. Garrett	9,051,320	-	-	15,000	9,066,320
D. Falconer	998,977	-	-	20,500	1,019,477
N Hilton	-	-	-	-	-
H Kelly	-	-	-	-	-
Specified Executives					
R Wolanski	1,226,500	-	-	145,500	1,372,000
Total	17,532,637	-	-	181,000	17,713,637

All equity transactions with specified directors and specified executives other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

(d) Loans from specified directors and specified executives

(i) Details of aggregates of loans from specified directors and specified executives are as follows

	Balance at beginning of period \$'000	Interest charged \$'000	Interest not charged \$'000	Write-off \$'000	Balance at end of period \$'000	Number in group 30 June 2004
Specified directors						
2005	100	-	-	-	670	6
2004	198	-	-	-	100	4
Specified executives						
2005	-	-	-	-	-	-
2004	-	-	-	-	-	-
Total Specified directors and specified executives						
2005						
2004	198	-	-	-	100	4

(ii) Details of individuals with loans to the company above \$ 50,000 in the reporting period are as follows:

	Balance at beginning of period \$'000	Interest charged \$'000	Interest not charged \$'000	Write-off \$'000	Balance at end of period \$'000	Highest owing in period \$'000
Specified directors						
Hardware Support Pty Ltd (J. Garrett)	-	-	-	-	50	50
Tambulan Pty Ltd (D.Falconer)	-	-	-	-	620	620
Individuals						
Halley & Mary Cowan	-	-	-	-	450	450

Mr J M Garrett is a Director of Hardware Support Pty Ltd.

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Mr D A Falconer is Director of Tambulan Pty Ltd
Tambulan Pty Ltd. is trustee for DA & L Falconer Family Trust

Terms and conditions of loans

Loans from the Hardware Support Pty, Tambulan Pty Ltd and Halley & Mary Cowan and have coupon rate of 8.5 % and are repayable 12th August 2007.

Services

Jaybold Pty Ltd, a company in Mr J M Garrett and Mr H L Collins are directors and have a financial interest received rental income of \$ 53,791 (2004: \$122,215) from the consolidated entity. The amount is based on normal commercial terms and conditions.

29. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

Comdek Ltd has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The company has allocated internal resources to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to IFRS. As Comdek has a 30 June year end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when Comdek prepare its first fully IFRS compliant financial report for the year ended 30 June 2006. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Comdek. At this stage the company has not been able to reliably quantify the impacts on the financial report.

Classification of Financial Instruments

Under AASB 139 *Financial Instruments: Recognition and Measurement*, financial instruments will be required to be classified into one of five categories which will, in turn, determine the accounting treatment of the item. The classifications are loans and receivables- measured at amortised cost, financial assets held to maturity - measured at amortised cost, financial assets held for trading – measured at fair value with fair value changes charged to net profit or loss, financial assets available for sale – measured at fair value with fair value changes taken to equity and non-trading liabilities - measured at amortised cost. This will result in a change in the current accounting policy that does not classify financial instruments. Current measurement is at amortised cost, with certain derivative financial instruments not recognised on balance sheet. The future financial effect of this change in accounting policy is not yet known as the classification and measurement process has not yet been fully completed.

Goodwill

Under AASB 103 *Business Combinations* goodwill will no longer be able to be amortised but instead will be subject to annual impairment testing. This will result in a change in the group's current accounting policy which amortises goodwill over its useful life but not exceeding 20 years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

Impairment of Assets

Under AASB 136 *Impairment of Assets* the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the group's current accounting policy which determines the recoverable amount of an asset on the basis of undiscounted cash flows. Under the new policy it is likely that impairment of assets will be recognised sooner and that the amount of write-downs will be greater. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

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Intangible Assets

Under AASB 138 *Intangible Assets*, costs incurred in the research phase of the development of an internally generated intangible must be expensed. This will result in a change in the group's current accounting policy which allows for the capitalisation of costs incurred in the research phase of an internally generated intangible asset where future benefits are expected beyond reasonable doubt. Under the new policy, all research costs will be written off as incurred. On transition internally generated intangible assets will be required to be adjusted against opening retained earnings as they will not meet the recognition requirements under IFRS.

Income taxes

Under AASB 112 *Income Taxes*, the company will be required to use a balance sheet liability method which focuses on the tax effects of transactions and other events that affect amounts recognised in either the Statement of Financial Position or a tax-based balance sheet. It is not expected that there will be any further material impact as a result of adoption of this standard