



REDHILL EDUCATION

REDHILL EDUCATION LIMITED

ABN 41 119 952 493

Appendix 4E

for the financial year ended 30 June 2011

This statement is based on accounts which are in the process of being audited.

Lodged with the ASX under Listing Rule 4.3A

This report is to be read in conjunction with the Annual Report for the year ended 30 June 2010 and any ASX and/or public announcements made by RedHill Education Limited since the release of that Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	12 Months Ended 30 June 2011		12 Months Ended 30 June 2010		% Change
	\$		\$		
Revenue from ordinary activities	14,020,357	from	7,858,871	Increase	78%
Profit/(loss) from ordinary activities after tax attributable to members	(1,890,955)	from	131,422	Decrease	(1539%)
Net profit/(loss) for the period attributable to members	(1,890,955)	from	131,422	Decrease	(1539%)

Dividends

It is not proposed to pay a dividend.

Explanation of result

Summary

	2011
	\$m
Revenue	14.02
Normalised Pro Forma EBITDA	1.01
EBITDA (Loss)	(1.11)
Net Profit After Tax (Loss)	(1.89)

Result overview

Education provider RedHill Education Limited (RedHill) today announced full year results for the financial year ended 30 June 2011.

RedHill generated revenue of \$14.02 million (up 78.4% from FY2010) and a normalised pro forma EBITDA of \$1.01 million, in line with the downgraded guidance provided in February this year. A net loss after tax of \$1.89 million was booked for the year.

CEO Quote

Commenting on the result, new RedHill Chief Executive Officer Andrew Leary said:

“Clearly this has been a disappointing year for RedHill. The company has weathered the combined impacts of the strengthened Australian dollar and sector wide external factors that impacted overseas student enrolments.”

“Since I was appointed Chief Executive Officer on 29 March 2011, we have implemented a number of changes to consolidate RedHill’s businesses and increase student enrolments across the group. In particular, we have implemented a strategy to diversify the student population across both domestic and international markets.”

“Pleasingly, there are early indications that the diversification strategy is on track, evidenced by an increased representation of domestic students in the July intake for the Academy of Information Technology (AIT).”

“We have also consolidated part of Greenwich College into the Ultimo campus of AIT enabling us better to capitalise on the new enhanced campus at Ultimo.”

“Progress has also been made at our International School of Colour and Design which is successfully implementing a new strategy to better target distance education enrolments. This is a key market for RedHill as the demand for non-traditional course delivery grows.”

“In addition, Go Study Australia is on track to open its office in Rome, Italy, in September 2011, which will support Go Study Australia’s other agencies in the region. Inquiry levels and conversions to enrolment at agencies in this region have increased.”

“In August 2011, Academy of Information Technology signed a pathway agreement with the University of Sydney which allows RedHill students to continue their education at a post graduate level with the University. This is an important articulation agreement for RedHill and will enable our students to achieve further tertiary education outcomes,” he said.

Operational overview

Academy of Information Technology

Tuition fees and other related revenue for the 12 months ended 30 June 2011, including the period pre acquisition from 1 July 2010 to 15 September 2010, were \$5.5 million, a decrease of 24.9% on the previous corresponding period. Normalised pro forma EBITDA before the allocation of head office costs was \$1.6 million to 30 June 2011, down on the previous corresponding period by 45.3%.

International School of Colour and Design

Tuition fees and other related revenue for the 12 months ended 30 June 2011, including the period pre acquisition from 1 July 2010 to 15 September 2010, were \$2.7 million, an increase of 14.3% on the previous corresponding period. Normalised pro forma EBITDA before the allocation of head office costs was \$0.7 million for the 12 months ended 30 June 2011, an increase of 21.2% on the previous corresponding period.

Greenwich College

Tuition fees and other related revenue for the 12 months ended 30 June 2011 was \$6.2 million (prior to any intercompany adjustments) a decrease of 6.6% on the previous corresponding period. Normalised pro forma EBITDA before the allocation of head office costs was a loss of \$0.07 million, a decrease of 109.8% on the previous corresponding period.

Go Study Australia

Commission and other related revenue for the 12 months ended 30 June 2011 was \$1.8 million, before any intercompany adjustments, an increase of 40.2% on the previous corresponding period. The student recruitment agency achieved pro forma normalised EBITDA for the year before the allocation of head office costs of \$0.3 million as compared with an EBITDA loss of \$0.1 million in 2010, an increase of 427% on the previous corresponding period.

	<u>30 June 2011</u>	<u>30 June 2010</u>
Net tangible assets per fully paid ordinary share	\$0.10	\$0.07

Control gained over entities

Details regarding the acquisitions made by the group during the half-year are disclosed in the attached financial report.

Financial report

The financial report is attached. It is based on accounts which are in the process of being audited.



Mark Zworestine
Company Secretary
31 August 2011



REDHILL EDUCATION

REDHILL EDUCATION LIMITED

ABN 41 119 952 493

Financial Report

for the financial year ended 30 June 2011

This statement is based on accounts which are in the process of being audited.

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STATEMENT OF COMPREHENSIVE INCOME – 12 MONTHS ENDED 30 June 2011

	Notes	CONSOLIDATED	
		12 Months Ended	
		30 June	30 June
		2011	2010
		\$	\$
Revenue			
Net revenue	2	13,704,198	7,807,614
Interest and other revenue		316,159	51,257
		14,020,357	7,858,871
Expenses			
Salaries and employee benefits expense		7,301,858	4,081,606
Agent fees		1,898,858	1,288,202
Depreciation and amortisation	3	2,215,525	70,884
Property and occupancy costs		2,068,569	703,064
Professional and consulting fees		763,296	-
Marketing		666,981	178,767
Public company related costs		784,340	-
Other expenses		1,329,693	1,290,945
		17,029,120	7,613,468
Loss before tax		(3,008,763)	245,403
Income tax (benefit)/expense	4	(1,117,808)	109,183
Comprehensive (loss)/profit for the period after tax		(1,890,955)	136,220
Other comprehensive income		-	(4,798)
Total comprehensive (loss)/profit for the period		(1,890,955)	131,422
Basic (loss)/profit per share (cents per share) for the period, attributable to ordinary equity members of RedHill Education Limited			
		(0.08)	0.02
Diluted (loss)/profit per share (cents per share) for the period, attributable to ordinary equity members of RedHill Education Limited			
		(0.07)	0.01

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 June 2011

	Notes	CONSOLIDATED	
		30 June	30 June
		2011	2010
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	4,973,960	1,476,689
Trade and other receivables	6	1,358,862	1,230,938
Other	7	1,128,595	27,222
Current tax receivable		490,000	-
Total Current Assets		7,951,417	2,734,849
Non-Current Assets			
Property, plant and equipment	8	1,268,268	140,814
Intangible assets	9	12,506,489	14,165
Deferred tax assets		1,808,675	275,080
Other		1,060,961	-
Total Non-Current Assets		16,644,393	430,059
Total Assets		24,595,810	3,164,908
LIABILITIES			
Current Liabilities			
Trade and other payables	10	9,304,399	2,237,263
Current tax liabilities		-	180,158
Total Current Liabilities		9,304,399	2,417,421
Non-Current Liabilities			
Provisions	11	202,271	84,180
Total Non-Current Liabilities		202,271	84,180
Total Liabilities		9,506,670	2,501,601
Net Assets		15,089,140	663,307
EQUITY			
Contributed equity	12	18,427,750	2,485,320
Reserves	13	(145,476)	(519,834)
Accumulated losses	14	(3,193,134)	(1,302,179)
Total Equity		15,089,140	663,307

The accompanying notes form part of these financial statements.

REDHILL EDUCATION LIMITED – PRELIMINARY UNAUDITED FINANCIAL REPORT
 FINANCIAL YEAR ENDED 30 JUNE 2011

STATEMENT OF CHANGES IN EQUITY – 12 MONTHS ENDED 30 June 2011

	CONSOLIDATED				
	<u>Issued Capital</u>	<u>Reserves</u>	<u>Accumulated Losses</u>	<u>Minority Interest</u>	<u>Total</u>
	\$	\$	\$	\$	\$
As at 1 July 2009	2,460,320	(523,946)	(1,238,826)	(171,011)	526,537
Exchange differences on translation of foreign operation	-	(4,798)	-	-	(4,798)
Profit for the half year	-	-	136,220	-	136,220
Contributions of equity, net of transaction costs	25,000	-	-	-	25,000
Minority interest movement	-	-	(199,573)	171,011	(28,562)
Employee share options - value of employee services	-	8,910	-	-	8,910
As at 30 June 2010	2,485,320	(519,834)	(1,302,179)	-	663,307
					-
As at 1 July 2010	2,485,320	(519,834)	(1,302,179)	-	663,307
Profit/(loss) for the year	-	-	(1,890,955)	-	(1,890,955)
Capital raising net of associated costs and tax	14,486,697	-	-	-	14,486,697
Shares issued as part consideration for acquisition	1,206,566	-	-	-	1,206,566
Shares issued as consideration for services relating to the capital raising	82,500	-	-	-	82,500
Shares issued to the CEO under the terms of his contract of employment	166,667	-	-	-	166,667
Vendor earnout	-	360,735	-	-	360,735
Share based payments reserve	-	13,623	-	-	13,623
As at 30 June 2011	18,427,750	(145,476)	(3,193,134)	-	15,089,140

STATEMENT OF CASHFLOWS – 12 MONTHS ENDED 30 June 2011

	CONSOLIDATED	
	<u>2011</u>	<u>2010</u>
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	16,192,483	8,096,545
Payments to suppliers and employees (inclusive of goods and services tax)	(16,073,251)	(7,777,977)
Interest received	316,159	51,257
Income taxes paid (refund)	(590,000)	-
Net cash (outflow) inflow from operating activities	<u>(154,609)</u>	<u>369,825</u>
Cash flows from investing activities		
Payment for the acquisition of subsidiaries, net of cash acquired	(4,880,449)	(500,000)
Pre-acquisition dividend paid	(4,421,865)	-
Payments for property, plant and equipment	(919,503)	(46,574)
Net cash outflow (inflow) from investing activities	<u>(10,221,817)</u>	<u>(546,574)</u>
Cash flows from financing activities		
Net proceeds from issue of Shares	13,873,697	4,723
Net cash outflow from financing activities	<u>13,873,697</u>	<u>4,723</u>
Net increase in cash and cash equivalents	<u>3,497,271</u>	<u>(172,026)</u>
Cash and cash equivalents at the beginning of the financial year	1,476,689	1,648,715
Cash and cash equivalents at end of year	<u>4,973,960</u>	<u>1,476,689</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 June 2011

1. Going concern

These financial statements have been prepared on a going concern basis which assumes continuity of normal business activities and the realization of assets and the settlement of liabilities in the ordinary course of business for a period of 12 months from the date of this report. This statement is made after noting that as at 30 June 2011 current liabilities exceed current assets by \$1.35 million, the consolidated entity had a loss after income tax of \$1.89 million and a deficiency in operating cash flow of \$0.15 million.

Notwithstanding the above, the directors have formed the view that the financial statements should continue to be prepared on a going concern basis and there is no material uncertainty as to its ability to continue as a going concern and that the consolidated entity will realize its assets and liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. This view was formed after taking into account a number of factors including the following;

- The adequate cash in hand and at bank of \$AUD4,973,960 held by the consolidated group
- The group is forecasting profitability for the year ending 30 June 2012.
- The group is forecasting positive cash flows from operations for the year ending 30 June 2012 to fund the excess of current liabilities over current assets at 30 June 2011.

	CONSOLIDATED	
	12 Months ended	
	30 June	30 June
2. Revenue	2011	2010
	\$	\$
Tuition Revenue	11,754,287	5,972,260
Commission Revenue	1,465,317	1,411,552
Others	484,594	423,802
Interest	316,159	51,257
	14,020,357	7,858,871

	CONSOLIDATED	
	12 Months ended	
	30 June	30 June
3. Depreciation and amortisation	2011	2010
	\$	\$
Depreciation (plant and equipment)	374,216	66,604
Amortisation	1,841,309	4,280
	2,215,525	70,884

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2011 (CNTD.)

	CONSOLIDATED	
	30 June	30 June
	2011	2010
4. Income Tax Expense	\$	\$
(a) Income Tax Expense		
Current Tax	(253,459)	110,945
Deferred Tax	(864,349)	(1,762)
	(1,117,808)	109,183

Deferred income tax (revenue) expenses included in income tax expense comprises:

Increase in deferred tax assets	(864,349)	(1,762)
	(864,349)	(1,762)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit(loss) from continuing operations before income tax expense (benefit)	(3,008,764)	245,403
Tax at the Australian tax rate of 30%	(902,629)	73,621
Amortisation of intangibles	-	5,050
Entertainment	1,473	3,131
Sundry Items	(216,652)	27,381
Income Tax Expense	(1,117,808)	109,183

	CONSOLIDATED	
	30 June	30 June
	2011	2010
5. Current assets - Cash and cash equivalents	\$	\$
Cash at bank and in hand	4,960,682	1,468,682
Other cash and cash equivalents	13,278	8,007
	4,973,960	1,476,689

	CONSOLIDATED	
	30 June	30 June
	2011	2010
6. Current assets - Trade and other receivables	\$	\$
Trade receivables	1,333,773	168,515
Other receivables	167,255	562,423
Deposit	-	500,000
Allowance for Impairment of other receivables	(142,166)	-
	1,358,862	1,230,938

a) Other receivables

Other receivables include loan to ex-CEO of \$167,255 to purchase Redhill shares.

b) Allowance for impairment of other receivables

Impairment of \$142,166 has been provided for in respect of the ex-CEO share loan based on Redhill share price as at 30 June 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2011 (CNTD.)

7. Current assets - other	CONSOLIDATED	
	30 June	30 June
	2011	2010
	\$	\$
Prepayment	233,486	-
Deposits	728,479	-
Others	166,630	27,222
	1,128,595	27,222

8. Non-current assets - Property, Plant and Equipment	Plant and	Leasehold	Total
	Equipment	improvement	\$
	\$	\$	\$
Gross Carrying amount			
Balance at 1 July 2009	245,032	-	245,032
Additions	31,737	9,122	40,859
Disposals	-	-	-
Transfers	-	-	-
Acquisition of a subsidiary	-	-	-
Balance at 1 July 2010	276,769	9,122	285,891
Additions	277,339	642,164	919,503
Make good asset	-	54,121	54,121
Disposals	-	-	-
Transfers	-	-	-
Acquisition of a subsidiary	928,880	104,046	1,032,926
Closing balance at 30 June 2011	1,482,988	809,453	2,292,441
Accumulated depreciation			
Balance at 1 July 2009	(78,473)	-	(78,473)
Depreciation expense	(44,449)	(22,155)	(66,604)
Disposals	-	-	-
Transfers	-	-	-
Accumulated depreciation on acquisition	-	-	-
Balance at 1 July 2010	(122,922)	(22,155)	(145,077)
Depreciation expense	(304,378)	(69,838)	(374,216)
Disposals	-	-	-
Transfers	-	-	-
Accumulated depreciation on acquisition	(479,821)	(25,059)	(504,880)
Closing balance at 30 June 2011	(907,121)	(117,052)	(1,024,173)
Net Book Value			
At 30 June 2009	166,559	-	166,559
At 30 June 2010	153,847	(13,033)	140,814
At 30 June 2011	575,867	692,401	1,268,268

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2011 (CNTD.)

9. Non-current asset - Intangibles	<u>Goodwill</u>	<u>Copyrights</u>	<u>Licenses</u>	<u>Customer Contract</u>	<u>Software</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Gross Carrying amount						
Balance at 1 July 2009	-	-	21,400	-	-	21,400
Acquisition of subsidiaries	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 1 July 2010	-	-	21,400	-	-	21,400
Acquisition of subsidiaries	9,114,934	4,200,000	-	406,000	470,000	14,190,934
Additions	-	135,229	7,470	-	-	142,699
Disposals	-	-	-	-	-	-
Closing balance at 30 June 11	9,114,934	4,335,229	28,870	406,000	470,000	14,355,033
Accumulated amortisation and impairment losses						
Balance at 1 July 2009	-	-	(2,955)	-	-	(2,955)
Impairment expense	-	-	-	-	-	-
Amortisation expense	-	-	(4,280)	-	-	(4,280)
Balance at 1 July 2010	-	-	(7,235)	-	-	(7,235)
Impairment expense	-	-	-	-	-	-
Amortisation expense	-	(1,384,674)	(11,718)	(365,750)	(79,167)	(1,841,309)
Closing balance at 30 June 11	-	(1,384,674)	(18,953)	(365,750)	(79,167)	(1,848,544)
Net Book Value						
At 30 June 2009	-	-	18,445	-	-	18,445
At 30 June 2010	-	-	14,165	-	-	14,165
At 30 June 2011	9,114,934	2,950,555	9,917	40,250	390,833	12,506,489

10. Trade and other payables	CONSOLIDATED	
	<u>30 June</u>	<u>30 June</u>
	<u>2011</u>	<u>2010</u>
	\$	\$
Trade Payables	286,520	344,641
Deferred income	4,219,027	556,518
Other Payables	4,798,852	1,336,104
	9,304,399	2,237,263

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2011 (CNTD.)

	CONSOLIDATED	
	30 June	30 June
	2011	2010
11. Non-current liabilities - Provisions	\$	\$
Make good provision	133,055	84,180
Long service leave provision	69,216	-
	202,271	84,180

a) Nature and timing of provisions

i) Make good provisions

Under the terms of its lease agreement the Group must restore certain leased premises to their condition as at the commencement of the lease.

b) Movements in provisions (other than employee benefits)

Make good provision

At 1 July	84,180	84,180
Acquisitions	33,289	-
Additions	38,722	-
Utilised	(23,136)	-
At 30 June	133,055	84,180

	CONSOLIDATED		CONSOLIDATED	
	30 June	30 June	30 June	30 June
	2011	2010	2011	2010
12. Contributed Equity	Number of shares		\$	\$
(a) Issued and paid up capital				
Ordinary Shares, fully paid, pre share split	-	2,817,942	-	-
Ordinary Shares, fully paid, post share split	27,000,000	9,544,267	18,427,750	2,485,320
(b) Movements in shares on issue				
Ordinary Shares, fully paid				
Beginning of the year	9,544,267	9,544,267	2,485,320	2,485,320
Minority interest acquired	-	-	-	-
Shares issued as part consideration for acquisition	1,206,566	-	1,206,566	-
Shares issued as consideration for services relating to the capital raising	82,500	-	82,500	-
Shares issued to the CEO under the terms of his contract of employment	166,667	-	166,667	-
Shares issued for capital raising	16,000,000	-	16,000,000	-
Costs associated with the capital raising net of tax	-	-	(1,513,303)	-
End of the year	27,000,000	9,544,267	18,427,750	2,485,320

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2011 (CNTD.)

13. Reserves	CONSOLIDATED	
	30 June	30 June
	2011	2010
	\$	\$
(a) Reserves		
Employee share option reserve	31,225	17,603
Earnout reserve	360,736	-
Foreign currency translation reserve	3,563	3,563
Minority interest reserve	(541,000)	(541,000)
	(145,476)	(519,834)

Movements:

Employee share option reserve

At 1 July	17,603	8,693
Employee share options - value of employee services	13,622	8,910
Transfer to retained earnings	-	-
At 30 June	31,225	17,603

Earnout reserve

At 1 July	-	-
Earnout provision	360,736	-
At 30 June	360,736	-

Foreign currency translation reserve

At 1 July	3,563	8,361
Currency translation differences arising during the year	-	(4,798)
At 30 June	3,563	3,563

Minority interest reserve

At 1 July	(541,000)	(541,000)
Transfer from retained earnings	-	-
At 30 June	(541,000)	(541,000)

14. Accumulated Losses	CONSOLIDATED	
	30 June	30 June
	2011	2010
	\$	\$
At 1 July	(1,302,179)	(1,238,826)
Net profit/(Loss) for the year	(1,890,955)	136,220
Minority Interest acquired	-	(199,573)
At 30 June	(3,193,134)	(1,302,179)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2011 (CNTD.)

15. Commitments and contingencies

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets as reported in the 30 June 2010 annual report.

In November 2010, the information technology college moved into a new campus and executed a seven year lease. The commitment associated with this is as follows:

	CONSOLIDATED	
	30 June 2011	30 June 2010
	\$	\$
Payable in the next year	1,269,588	915326
Payable in years 2 to 5	3,935,198	354250
Payable after 5 years	1,562,308	-
	6,767,094	1,269,576

16. Controlled Entities acquired

	Academy of Information Technology Pty Limited	International School of Colour and Design Pty Limited
Date control gained	15 September 2010	15 September 2010
	\$	\$
Contribution to profit from ordinary activities after tax in current period, where material.	1,004,345	477,990
Profit from ordinary activities after tax during the whole of the previous corresponding period, where material.	2,105,162	1,699

On 15 September 2010, Redhill acquired 100% of the issued shares in the following two companies:

- Academy of Information Technology Pty Limited (AIT), an information technology and multimedia college; and
- International School of Colour and Design Pty Limited (ISCD), a creative arts college.

The original purchase price of AIT was \$11,114,276 and comprised the following:

A cash component of \$9,907,710 and a shares component equal to \$1,206,566 by way of the issue of shares to AIT key personnel at the issue price of the new capital raised of \$1.00 per share. ie. 1,206,566 shares.

On completion, all AIT sellers received 70% of the cash component and the AIT key personnel received 100% of the shares component. The remaining 30% of the cash component was deposited into an escrow account and released to the AIT sellers (less any setoff for the amount of any warranty claim) in the following manner:

- 66.7% after the first anniversary of the completion date; and
- 33.3% after the second anniversary of the completion date.

The cash consideration was subsequently reduced by \$1.8 million and the monies in escrow released as part of this adjustment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 JUNE 2011 (CNTD.)

The purchase price of ISCD was \$3,875,000 plus a deferred amount of up to \$2,025,000, less an expected working capital contribution of \$440,000. The full amount is paid in cash.

The initial \$3,875,000 was paid on or prior to the completion date of 15 September 2010.

The deferred payment amount is payable as follows:

- If the June 2011 audited gross sales is greater than 80% of the June 2010 audited gross sales, then the deferred payment amount is \$2,025,000 less the expected contribution.
- If the June 2011 audited gross sales are 80% or less of the June 2010 audited gross sales, then the deferred payment amount is \$1,012,500 less the expected contribution.

ISCD has exceeded 80% of the June 2010 audited gross sales.

Details of the purchase consideration	Academy of Information Technology Pty Limited	International School of Colour and Design Pty Limited	Total
	\$	\$	\$
Cash paid	8,078,389	3,875,000	11,953,389
Equity consideration	1,206,566	-	1,206,566
Contingent consideration	-	1,585,000	1,585,000
	9,284,955	5,460,000	14,744,955
Fair value of assets and liabilities recognised as a result of the acquisitions			
Cash and cash equivalents	6,873,540	199,400	7,072,940
Property plant and equipment	483,351	44,696	528,047
Intangible assets	3,976,000	1,100,000	5,076,000
Receivables	22,262	531,146	553,408
Other current assets	694,313	24,663	718,976
Net deferred tax assets	122,460	-	122,460
Deferred revenue	(1,841,534)	(1,086,233)	(2,927,767)
Payables	(630,292)	(326,808)	(957,100)
Pre acquisition dividend payable to vendors	(4,421,865)	-	(4,421,865)
Provisions	(79,367)	(55,711)	(135,078)
Net identifiable assets acquired	5,198,868	431,153	5,630,021
Add goodwill	4,086,087	5,028,847	9,114,934
	9,284,955	5,460,000	14,744,955
Goodwill as at 31/12/2010	7,725,093	5,726,858	13,451,951
Less increase in value of identifiable intangibles	(3,513,006)	(818,074)	(4,331,080)
Net deferred tax assets	(126,000)	120,063	(5,937)
	4,086,087	5,028,847	9,114,934