



- **eBET LIMITED FULL YEAR AUDITED RESULT**
 - **IMPACT OF AEIFRS**

Leading gaming technology company eBet Limited (ASX: EBT) ("eBet") today released its Appendix 4E Report for the year ended 30 June 2005 (copy attached) with its final results in line with those advised to the market on 27 July 2005.

The Company said that its audited results confirmed that each of its business units achieved NPBT for the Full Year to 30 June 2005, with the exception of its US linked-jackpot operations.

Excluding the US link business FY2005 EBITDA was \$3.61M and NPBT of \$1.1M on revenue of \$15.79M. In summary the continuing business improved in the following areas;

- Total Gaming Systems Revenue increased from \$14.3M (2004) to \$14.9M (2005) or +4.2%
- Gaming System Recurring Revenues increased from \$2.8M (2004) to \$3.9M (2005) or +39.3%

eBet incurred and expensed significant establishment and operational costs associated with its US links business across the year whereas revenue from the business did not begin until late February. Accordingly, the US links business contributed FY2005 EBITDA of \$(1.56)M with NPBT of \$(1.70)M on revenue of \$918K.

The Company said that this brought the Consolidated Group result for FY2005 to EBITDA of \$2.05M and NPBT of \$(606)K on consolidated revenue of \$16.83M; in line with expectations.

It noted that under the Australian Equivalent of the International Financial Reporting Standards (AEIFRS), which have now been adopted, that the result would have been a modest Consolidated Group profit (before and after tax) *(See footnote and further notes within attached 4E).

The company's Balance Sheet at June 30 2005 improved significantly from the previous year, with Net Current Assets of \$3.471M compared to \$86K at June 30 2004 and Net Assets of \$13.534M compared to \$10.227M at June 30 2004.

Managing Director, Mr. Tony Toohey said the Company was pleased with the result. "We achieved profitability across the Group in the second half with a strong fourth quarter driven by the commencement of US link revenues and more buoyancy in the domestic market", said Mr. Toohey.

He concluded, "New accounting standards now better reflect our ongoing performance; and FY2006 has started well with recurring revenue building from licensing and our linked-jackpot operations; and our domestic revenue pipeline continuing to build".

* IN RECENT YEARS eBET HAS BEEN PREPARING ITS ACCOUNTS AND BALANCE SHEET FOR THE ADOPTION OF AEIFRS. ACCORDINGLY, UNDER AEIFRS, THE FY2005 RESULT WOULD HAVE BENEFITED BY THE IMPLMENATION OF AEIFRS PRINCIPLES RESULTING IN NPBT OF \$73K. THROUGH THE APPLICATION OF TAX CREDITS FROM PREVIOUS LOSSES NO TAX LIABILITY HAS (NOR UNDER AEIFRS) WOULD HAVE ARISEN FOR THE YEAR.

About eBet

eBet Limited is listed on the ASX (Symbol: EBT) with operations and contractual arrangements in Australia, New Zealand, Greece, Singapore, the Philippines, Russia and the USA.

eBet develops and markets a range of networked solutions for gaming machines. It is one of the world's largest gaming systems companies with more than 450 customers who collectively operate more than 40,000 gaming machines. Its card-based cashless gaming systems, player tracking and loyalty systems, data management and linked-jackpot solutions are installed in leading gaming venues in Australia, New Zealand, the Philippines, Greece, Singapore, Russia and the USA.

eBet also develops and supports Internet-based wagering systems for licensed gaming operators in international markets. Its key customers are the New Zealand TAB and Penn National Gaming Inc. (NASDAQ: PENN).

**Further Information: Tony Toohey
CEO & Managing Director
eBet Limited
61 2 8748 8002**

Appendix 4E

Final Report to the Australian Stock Exchange

Name of Entity	eBet Limited
ABN	59 056 210 774
Financial Year Ended	June 30, 2005
Previous Corresponding Reporting Period	June 30, 2004

Results for Announcement to the Market

	\$'000	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	16,825	down 9.3%
Profit / (loss) from ordinary activities after tax attributable to members	(606)	down 29.4%
Net profit / (loss) for the period attributable to members	(606)	down 29.4%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
<p>The prior year's Revenue from Ordinary Activities included \$2.308M of revenue and profit on the sale of subsidiary associated with the Company's prior ownership of its sports and race betting operations, Sports Acumen.</p>		

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.00	(\$0.02)

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

This year's financial results were impacted by set up and other costs relating to the establishment of the group's US Links operations. The company's US Link activities commenced mid February 2005. Revenue from that date to June 30 was \$918K. NPBT from the US Link Operations was a loss of \$1.702M due to establishment and operational expenses commencing well before revenue. This adversely impacted the Consolidated result.

Excluding the US links business NPBT from Gaming Systems and other activities was \$1.096M.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects :

Excluded from the calculations of EPS and NTA are 3,512,500 share options on issue which are exercisable on forthcoming varying dates.

Returns to shareholders including distributions and buy backs :

N/A

Significant features of operating performance :

N/A

The results of segments that are significant to an understanding of the business as a whole:

There has been steady growth in revenue from the Gaming Systems business from the roll-out of new technology and increasing customer acceptance.

The US Based US Links activities commenced operations in mid February 2005.

Discussion of trends in performance :

During the year the company commenced its US Links operations from mid February 2005 which generated revenues of \$918K. It is anticipated that this trend in revenue growth will continue in FY2006.

Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:

The group is continuing to put measures into place to reduce operating expenses.

The company is currently in negotiations to increase operations in the USA market with Link Systems.


Exchange losses during the year were \$76K.

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	√	The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Financial Statements and Notes thereto

Signed By (Director/Company Secretary)	
Print Name	Tony Toohey (Managing Director)
Date	August 29, 2005

eBet Limited
Statement of Financial Performance
For The Year Ended 30 June 2005

	Note	Economic Entity 2005 \$000	2004 \$000
Sales revenue – Gaming Systems and Equipment		9,983	10,434
Operator Fee – US Links		918	-
Service revenue – Gaming Systems		4,971	3,940
Software and service revenue – Online Systems		758	1,978
Other revenue from ordinary activities		195	246
Proceeds from sale of business		-	1,950
Total revenue from ordinary activities	2	16,825	18,548
Cost of sales		(5,857)	(6,533)
Commissions – US Links		(363)	-
Employee benefits expenses		(5,050)	(4,610)
Other expense from ordinary activities		(3,502)	(3,140)
Borrowing costs expense		(611)	(780)
Depreciation and amortisation expense		(2,048)	(1,722)
Carrying value of net assets disposed in sale of business		-	(2,473)
Write down of goodwill/intellectual property/investments		-	(148)
Total expenses from ordinary activities		(17,431)	(19,406)
Loss from ordinary activities before income tax expense		(606)	(858)
Income tax expense relating to ordinary activities		-	-
Net loss from ordinary activities after related income tax attributable to members of the parent entity		(606)	(858)
Total changes in equity other than those resulting from transactions with owners as owners		(606)	(858)
Basic earnings per share (cents per share)		(0.29)	(0.50)
Diluted earnings per share (cents per share)		(0.29)	(0.50)

eBet Limited
Statement of Financial Position
As At 30 June 2005

	Note	Economic 2005 \$000	Entity 2004 \$000
Current Assets			
Cash Assets	5	2,351	2,051
Receivables	6	4,633	3,899
Inventories	7	1,431	1,462
Total Current Assets		8,415	7,412
Non-Current Assets			
Property, Plant & Equipment	8	2,345	303
Intangibles	9	12,911	14,034
Total Non-Current Assets		15,256	14,337
Total Assets		23,671	21,749
Current Liabilities			
Payables	10	4,500	3,546
Interest Bearing liabilities	11	8	3,473
Provisions	12	436	307
Total Current Liabilities		4,944	7,326
Non-Current Liabilities			
Interest Bearing liabilities	11	5,134	4,138
Provisions	12	59	58
Total Non-Current Liabilities		5,193	4,196
Total Liabilities		10,137	11,522
Net Assets		13,534	10,227
Equity			
Contributed Equity	13	49,981	46,068
Accumulated losses	4	(36,447)	(35,841)
Total Equity	4	13,534	10,227

eBet Limited
Statement of Cash Flows
For The Year Ending 30 June 2005

	Economic Entity	
	2005	2004
	\$000	\$000
Cash Flows From Operating Activities		
Receipts from customers	16,724	16,941
Payments to suppliers and employees	(15,742)	(15,940)
Interest received	43	102
Interest and other costs of finance paid	(696)	(780)
Net cash provided operating activities	329	323
Cash Flows From Investing Activities		
Aggregate cash flows from the acquisition of Turbo	-	(445)
Purchase of property, plant & equipment	(1,587)	(148)
Payments for software development and other intangibles	(583)	(674)
Aggregate cash flows from the sale of Sports Acumen	700	351
Payments for the acquisition of Netcash	-	(58)
Net cash used in investing activities	(1,470)	(974)
Cash Flows From Financing Activities		
Repayment of principal – convertible notes	(2,452)	(778)
Proceeds from borrowings	-	150
Repayment of principal – borrowings	(19)	(225)
Proceeds from issue of shares	4,104	2,215
Cost of share issue	(192)	-
Net cash provided by financing activities	1,441	1,362
Net increase/(decrease) in cash held	300	711
Cash held at the beginning of the financial year	2,051	1,340
Cash held at the end of the financial year	2,351	2,051

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 1: Statement of Accounting Policies

The accounting policies used in this report are the same as those used in the last annual report

Note 2: Revenue From Ordinary Activities

	Economic Entity	
	2005	2004
	\$000	\$000
Operating Revenues		
Sales Revenue – Systems and Equipment	11,893	10,834
Service Revenue – Gaming Systems	4,275	3,940
Service Revenue – Online Systems	462	1,578
	16,630	16,352
Non-Operating Revenue		
Interest received	43	102
Other revenue	152	144
Proceeds from sale of business	-	1,950
	16,825	18,548

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 3: Operating Loss

	Economic Entity	
	2005	2004
	\$000	\$000
Loss from ordinary activities before income tax includes:		
Cost of sales	6,220	6,533
Borrowing costs:		
- other persons	611	775
- Directors and director related entities	-	5
Total borrowing costs	611	780
Depreciation of:		
Plant and equipment	352	272
Amortisation of non-current assets:		
Goodwill	764	848
Intellectual property, software development and other intangible assets	932	602
Total amortisation expense	1,696	1,450
Net loss on sale of business	-	523
The following significant revenue and expense items are relevant in explaining the financial performance:		
Write-off of goodwill as at 30 June 2004 per Directors review	-	-
Write-off of intellectual property, software development and other intangible assets as at 30 June 2004 per Directors review	-	148
Total write-off of assets	-	148

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 4 - Accumulated Losses and Total Equity

	Economic Entity	
	2005	2004
	\$000	\$000
Accumulated Losses		
Balance at beginning of year	(35,841)	(34,983)
Net loss attributable to members	(606)	(858)
	(36,447)	(35,841)
Total Equity		
Total equity at beginning of year	10,227	8,870
Total changes in equity recognised in the Statement of financial performance	(606)	(858)
Transactions with owners as owners:		
contribution of equity	4,104	2,215
Costs associated with issue	(191)	-
	13,534	10,227

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 5 - Cash

	Economic Entity	
	2005	2004
	\$000	\$000
Cash		
Cash at bank	1,146	1,855
Deposits at call	1,205	196
	2,351	2,051
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash	2,351	2,051
	2,351	2,051

Note 6 - Receivables

	Economic Entity	
	2005	2004
	\$000	\$000
Receivables		
Current		
Trade Debtors	4,593	3,118
Provision for doubtful debts	(250)	(228)
	4,343	2,890
Non-trade debts receivable		
Due from other than related parties	181	295
Due from the sale of Sports Acumen	-	700
Prepayments	109	14
	4,633	3,899

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 7 - Inventories

	Economic Entity	
	2005	2004
	\$000	\$000
Inventories		
Current		
Computer parts - at cost	1,431	1,462
	1,431	1,462

Note 8 - Property, Plant & Equipment

	Economic Entity	
	2005	2004
	\$000	\$000
Plant & Equipment		
At Cost	3,580	1,215
Accumulated Depreciation	(1,241)	(983)
	2,339	232
Leasehold Improvements		
At Cost	191	164
Accumulated Depreciation	(185)	(93)
	6	71
Total Property, Plant & Equipment	2,345	303

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 9 - Intangible Assets

	Economic Entity	
	2005	2004
	\$000	\$000
Goodwill - at cost	14,478	14,478
Accumulated Amorfisation	(8,487)	(7,723)
	5,991	6,755
Intellectual property, software development and other intangibles - at cost	17,377	16,804
Accumulated Amortisation	(10,457)	(9,525)
	6,920	7,279
Total Intangible Assets	12,911	14,034

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 10 – Payables

	Economic Entity	
	2005	2004
	\$000	\$000
Payables		
Current		
Unsecured liabilities		
Trade creditors	1,480	1,978
Other creditors and accruals	2,389	1,324
Deferred income	631	244
	4,500	3,546

Note 11 – Interest Bearing Liabilities

	Economic Entity	
	2005	2004
	\$000	\$000
Interest Bearing Liabilities		
Current		
Unsecured		
Convertible Notes	8	3,455
Loans payable to related parties	-	18
	8	3,473
Non-Current		
Unsecured		
Convertible Notes	5,134	4,138
	5,134	4,138

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

	Economic Entity	
	2005	2004
	\$000	\$000
Provisions		
Current		
Provision for employee entitlements	436	307
	436	307
Non-Current		
Provision for employee entitlements	59	58
	59	58
Aggregate employee entitlements liability	495	365

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 13 - Contributed Equity

	Economic Entity	
	2005	2004
	\$000	\$000
Issued Capital 217,007,611 (2004: 188,707,611) fully paid ordinary shares	49,981	46,068
	49,981	46,068
Movement in share capital		
Balance at the beginning of the financial year	46,068	43,853
Shares issued during the year		
28,300,000 on 16 November 2004	4,104	-
Costs associated with issue	(191)	-
24,616,022 on 1 June 2004	-	2,215
Balance at end of the financial year	49,981	46,068

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 14 – Discontinuing Operations

	Economic Entity	
	2005	2004
	\$000	\$000
On 5 November 2004 the Company disposed of its ACT-based sports and race betting business, Sports Acumen for total consideration of \$1.95 million.		
Financial information relating to the business for the period to the date of disposal is set out below:		
Ordinary activities attributed to discounting operation:		
Revenues from ordinary activities	-	358
Expenses from ordinary activities	-	745
Profit/(loss) from ordinary activities before income tax	-	(387)
Income tax expense	-	-
Net profit/(loss) attributable to members of the parent entity	-	(387)
The carrying value of assets and liabilities relating to the discontinuing business at the date of sale were:		
Total assets	-	3,516
Total liabilities	-	1,043
Net assets	-	2,473
Details of the sale of the business which has been incorporated into the current year's result are as follows:		
Net sale price	-	1,950
Carrying amount of net assets disposed	-	(2,473)
Loss on sale before income tax	-	(523)
Income tax expense	-	-
Loss on sale after income tax	-	(523)

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 15 - Australian Equivalents to International Financial Reporting Standards

Australian equivalents to International Financial Reporting Standards (AEIFRS) will be adopted in the financial report for the year ending 30 June 2006 and the comparative information presented in that report for the year ending 30 June 2005. The majority of the AEIFRS adjustments will be made retrospectively against retained earnings at 1 July 2004.

The economic entity's management has assessed the significance of the expected changes and is preparing for their implementation. An AEIFRS committee is overseeing and managing the economic entity's transition to AEIFRS. The impact of alternative treatments and elections under AASB 1 "First Time Adoption of Australian International Financial Reporting Standards" has been considered where applicable.

The directors are of the opinion that the key material differences in the economic entity's accounting policies on conversion to AEIFRS and the financial effect of these differences where known are as follows. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by the standard-setters to the current AEIFRS or interpretation of the AEIFRS requirements changes from the continuing work of the economic entity's AEIFRS committee.

a) Reconciliation of equity as presented under AGAAP to that under AEIFRS			
	Note	Economic Entity	
		30 Jun 05	1 Jul 04
Total equity under AGAAP		13,534	10,227
<i>Adjustments to retained earnings (net of tax)</i>			
Write-back of goodwill amortisation	(i)	764	-
		14,295	10,227
<i>Adjustments to other reserves (net of tax)</i>			
Recognition of share based payments expenses	(iv)	85	-
Total equity under IFRS		14,210	10,227

b) Reconciliation of net profit/(loss) under AGAAP to that under AEIFRS			
	Note	Economic Entity	
		30 Jun 05	1 Jul 04
Net profit / (loss) as reported under AGAAP		(606)	(858)
<i>Adjustments to retained earnings (net of tax)</i>			
Write-back of goodwill	(i)	764	-
Share based payments expense	(iv)	(85)	-
Net profit / (loss) under IFRS		73	(858)

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 15 - Australian Equivalents to International Financial Reporting Standards (continued)

(i) Intangible Assets

AASB 138 "Intangible Assets" generally requires derecognition of all items that do not qualify as identifiable intangible assets. The transition rules allow items that were purchased as part of a business combination and do not qualify as an identifiable intangible to be transferred back to the related goodwill balance. The treatment of each specific intangible is set out below:

(ii) Goodwill

Under AASB3 "Business Combinations", amortisation of goodwill will no longer be permitted. At the date of adoption of AEIFRS goodwill will be allocated to cash generating units of the entity and will be impairment tested on initial adoption of AEIFRS and annually thereafter.

Impairment testing as at 30 June 2005 confirmed no impairment of the \$14,478K goodwill less amortisation of \$8,487K as disclosed in the economic entity's financial statements as at 30 June 2005. \$764K of goodwill amortised during the year ended 30 June 2005 will, therefore, be reversed resulting in an increase of \$764K in retained earnings as at 30 June 2005 and an increase in profit amounting to \$764K for the year ended 30 June 2005.

(iii) Research and Development

Research costs will continue to be expensed in the year they are incurred.

Qualifying expenditure in relation to development phase costs may continue to be capitalised and impairment tested annually until the related asset is complete at which time they will be amortised over the useful life of the related asset. The economic entity will continue to amortise development costs on a straight-line basis over 10 years.

Impairment testing as at 30 June 2005 confirmed no impairment of the \$8,888K capitalised development costs less amortisation of \$4,210K as disclosed in the economic entity's financial statements as at 30 June 2005.

On transition, the financial effect of this impact is assessed as nil.

(iv) Licences, Patents, Trademarks and Other

All licences, patents and trademarks will be assessed as having either a finite or indefinite useful life.

All items that have been classified as being indefinite lived assets will be impairment tested annually in accordance with the standards. All items classified as finite lived assets will be amortised over the useful life of the asset.

Regardless of the useful life classification the directors must assess at the end of each reporting period the classification, subsequent method employed and rates used to ensure appropriateness.

Impairment testing as at 30 June 2005 confirmed no impairment of the \$8,437K capitalised licences, patents, trademarks and other intangibles less amortisation of \$6,196K as disclosed in the economic entity's financial statements as at 30 June 2005.

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 15 - Australian Equivalents to International Financial Reporting Standards (continued)

The economic entity has assessed the finite lives of all licences, patents and trademarks to be 10 years and will continue to amortise these assets on a straight-line basis over 10 years.

On transition, the financial effect of this impact is assessed as nil.

(v) Share Based Payments

The economic entity currently engages in the practice of allocating to its directors and employees shares and share options as part of their remuneration packages. AASB 2 "Share Based Payments" require that these payments and also payments made to other counterparties in return for goods and services shall be measured at the more readily determinable fair value of the good/service or the fair values of the equity instrument. This amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

1,162,500 options with an exercise price of 24 cents to acquire ordinary shares in the entity were issues to directors during the year ended 30 June 2005. The fair value of these options has been independently assessed to be \$84,734. An expense of \$84,734 will, therefore, be recognised resulting in a decrease of \$84,734 in retained earnings as at 30 June 2005 and an decrease in profit amounting to \$84,734 for the year ended 30 June 2005.

(vi) Income Tax

AASB 112 "Income Tax" requires all income tax balances to be calculated using the comprehensive balance sheet liability method. Deferred tax items will be calculated by comparing the difference in carrying amounts to tax bases for all assets and liabilities and multiplying this by the tax rates expected to apply to the period when the asset is realised or the liability settled. Recognition of the resulting amounts are subject to some exceptions, but generally deferred tax balances must be calculated for each item in the statement of financial position. Deferred tax assets will only be recognised where there exists the probability that future taxable profit will be available to recognise the asset.

On transition, the financial effect of this impact is assessed as nil.

(vii) Inventories

Inventories will continue to be measured at the lower of cost and net realisable value under the new AASB 102. All items of inventory are subject to an impairment test. In the event that the circumstances that lead to an impairment write-down no longer exist or are favourable a reversal of the write-down through the statement of financial performance is required to be effected.

On transition, the financial effect of this impact is assessed as nil.

eBet Limited
Notes to The Financial Statements
For The Year Ended 30 June 2005

Note 15 - Australian Equivalents to International Financial Reporting Standards (continued)

(viii) Property, Plant & Equipment

AASB 116 "Property Plant & Equipment" will allow the carrying amounts of property plant and equipment to include the costs of dismantling and removing items of property, plant and equipment at the conclusion of a lease term or similar arrangement. This amount will adjust the current carrying amount of certain items of property plant and equipment on initial adoption of AEIFRS and will be depreciated over the remaining useful life of that related asset.

Any consideration which is deferred is recognised as the net present value of that amount using an appropriate discount rate.

Property, plant and equipment is subject to an impairment test when there is an indication that impairment exists by reference to internal and external market factors. Any item of property, plant & equipment which is impaired must be written down to its recoverable amount. The amount of the impairment write down for assets carried at cost will be expensed through the statement of financial performance.

Items of property, plant and equipment measured at fair value will still be carried as such, however the offsets of balances in the Asset Revaluation Reserve under the new standards will be determined on an "asset by asset" basis rather than the current "class by class" treatment. This means that a change to profit or loss will occur where an impairment write down is necessary and there is no existing balance for that asset in the asset revaluation reserve.

On transition, the financial effect of this impact is assessed as nil.

(ix) Foreign Currency Transactions

AASB 112 "The Effect of Changes in Foreign Currency" removes the distinction between self-sustaining and integrated foreign operations and will require all entities to account for foreign operations as per a prescribed method. Where the presentation currency of the foreign entity is not in Australian dollars, this will result in a Foreign Currency Translation Reserve being created in equity and represents the cumulative differences of translating the financial statements of all foreign subsidiaries into the presentation currency of the entity. On disposal of foreign operations the amount in the reserve in relation to the disposed of operation is transferred to the profit and loss account and recognised as income in the period of disposal.

On transition, the financial effect of this impact is assessed as nil.