

CSG LIMITED ANNUAL REPORT 2009

ACN 123 989 631

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Contents

chairman's letter	2
managing director's report	4
board of directors	10
corporate governance statement	11
directors' report	15
auditor's independence declaration	22
financial report for the year ended 30 june 2009	23
consolidated income statement	24
consolidated balance sheet	25
consolidated statement of equity	26
consolidated statement of cash flows	27
notes to the financial statements	28
directors' declaration	56
independent auditor's report	57
shareholding analysis	59
corporate directory	ibc

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CSG welcomes you to its 2009 Annual Report.

An exciting year saw CSG:

- **Grow Revenue by 48%**
- **Grow Staff Numbers by 27%**

chairman's letter

My fellow shareholders,

It gives me great pleasure once again to present to you the Annual Report for CSG Limited.

While 2009 was undoubtedly a tough year around the world, I'm proud to say that CSG has come through in good shape. In our second full year listed on the ASX, CSG experienced strong growth, with a full year increase in Net Profit After Tax of 24%, to \$23.2M.

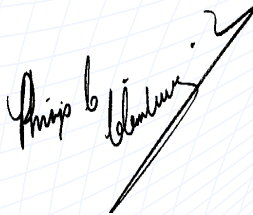
Strategically, 2009 was an exciting year. The acquisition of the Commander Managed Services business in Canberra opens up exciting opportunities in the Eastern States, and we will be working hard to capitalise on these over the next 12 months.

Winning the contract to deliver the 'Ultraneet' to the Victorian Department of Education and Early Childhood Development was also a big win for CSG, and opens up a pipeline of opportunities around Australia.

In February we farewelled Michael Brodie from the board of directors. I would like to take this opportunity to thank Michael for his contribution to CSG, and wish him well in his future endeavours.

We also recently welcomed Philip Bullock to the board as a non-executive director. Philip comes to us with a strong background in the IT industry in Australia, and brings a wealth of experience to CSG.

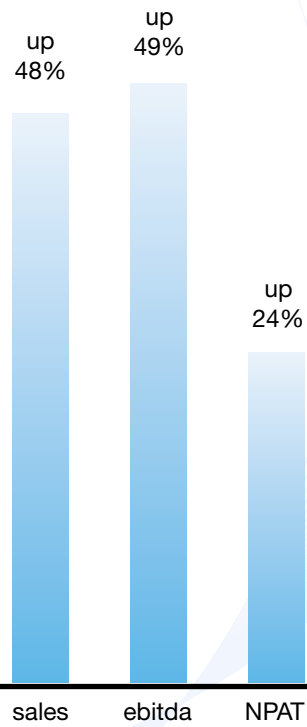
I believe that moving into 2010 the business is in excellent shape, with a strong pipeline of opportunities in every state in Australia. On behalf of the Board of Directors, I would like to take this opportunity to congratulate the management team and staff of CSG on a strong year's performance, and thank our shareholders and customers for their continued support.



Philip C. Chambers,
Chairman

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Strategically, 2009 was an exciting year. The acquisition of the Commander Managed Services business in Canberra opens up exciting opportunities in the Eastern States, and we will be working hard to capitalise on these over the next 12 months.



managing director's report

“ We are excited about 2010, and seek to continue to develop ourselves into one of the leading Australian owned IT services companies in the country.”

2009 has been a very successful year, and saw us complete the second full year of being listed on the ASX in strong style, despite current difficult economic conditions around Australia, and indeed the world.

In a year which saw many companies struggle, CSG has again proven the strength of its business model by recording significant growth, driven by both acquisitive and organic growth.

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Financial Highlights

- Revenue of **\$197.3** million;
48% above 2008 results
- EBITDA of **\$49.9** million;
49% above 2008 results
- NPAT of **\$23.2** million;
24% above 2008 results
- Earnings per share growth
of **20%**.



Operational Highlights

- Winning Victorian Department of Education and Early Childhood Development tender to deliver Ultranet, an online portal for students, teachers, parents and administrators to be rolled out across all Victorian government schools;
- Acquisition of Commander Managed Services business, giving us significant presence and ongoing business in Canberra, South Australia and Victoria;
- Acquisition of CingleVue Pty Ltd, providing significant experience in Oracle, particularly in Education.

“This acquisition opens up exciting possibilities throughout the entire eastern seaboard”

IT Services

Our managed services business saw continued successful operation in the Northern Territory, and an expansion in the Eastern states through the acquisition of the Commander Managed Services business. This acquisition opens up exciting possibilities throughout the entire eastern seaboard, and with its Canberra-based service centre, gives us a strong position to expand into the large Canberra-based pool of federal government contracts.

The acquisition and integration of this business has been successful, despite not renewing some of the major contracts that existed, all of which were tendered prior to our acquisition and outside of CSG's control. The business from this acquisition rolling into 2010 includes significant locked in revenues, along with a place on the South Australian Government's Panel Contract.

The Northern Territory business continues to operate well, and this year saw us complete the first full year of services for the Department of Education and Training contract, won during 2008. We have continued to work closely with the government to assist them to define their IT strategy and requirements, and have recorded high levels of service delivery on all metrics, both in the major cities, and in remote communities, through our fleet of planes and fly-in-fly-out technicians.

Our enterprise services businesses were hardest hit by the economic slowdown; however we are starting to see signs of a recovery in both Victoria and Western Australia.

One of the major highlights for the year was winning the Victorian Department of Education and Early Childhood Development (DEECD) contract to develop, implement and support the state-wide Ultranet project. This project will see the roll-out of the award-winning Oracle Student Learning portal to ~550,000 students across all Victorian Government schools, as well as teachers and parents, and will provide an innovative online student learning portal, email, collaboration, reporting and administration tool.

This project includes a number of firsts for CSG:

- First major, multi-year contract outside of the Northern Territory;
- First major collaboration with Oracle;
- First major combined applications / infrastructure outsourcing contract.

This part of the business also went through a major change program during 2009. In this, the operations have been integrated into practice models on a national basis and are no longer operating on individual company lines. This integration project will significantly add to the flexibility of these businesses to provide customised

solutions for their clients, while also realising significant back-office synergies, enable a truly national presence for major customers and the ability to increase workforce utilisation.

Print Services

2009 also saw growth in our established print services business throughout Australia, despite difficult trading conditions in the markets the business operates in. This business now includes Fuji-Xerox dealers in Brisbane, Maroochydore, Toowoomba, Cairns and Darwin, and a specialist Tier-1 Managed Print business based in Canberra.

The Managed Print business will be a major focus to drive growth over the next five years, and is a business model well proven overseas, however not yet widely adopted in Australia. This business enables us to provide a full-service offering (including help desk, consumables and repairs) to customers at a lower cost than their existing self-managed printing arrangements, providing significant benefits for the customer. This is a natural adjacency to our existing business, and the feedback so far on this has been strong.

Our Canberra based Managed Print business, focusing specifically on Tier-1 opportunities, is also performing well, and has a number of significant ongoing contracts with large businesses and major federal government departments.

Over the next 12 months, there is still significant opportunity to grow, specifically by driving the churn to colour outside of major metropolitan areas, while continuing to develop the Managed Print offering across all locations.

Financial Results

Financial results for 2009 are extremely pleasing, with strong growth at the Revenue, EBITDA and PBT levels. Cashflow for the year remained strong, and reinforces the health of the business. Operating cashflow in 2009 was \$42.6m and enabled us to reduce interest bearing debt to \$39.7m.

Overall levels of debt are currently considered comfortable by management, given that total interest bearing debt is now less than 1 times EBITDA, and a considerable amount of this is backed by assets currently installed on government contracts.

The current debt facility is not due for renewal until August 2011. Given the nature of the business, where majority of revenue and profits are locked in from one year to the next, it is expected cashflow throughout 2010 will remain strong, and provide further potential to either reduce debt or fund expansion, as required.

“In 2009 for the first time we began to focus on creating a ‘one-CSG’ culture for staff. “

Our Staff

Our staff across Australia continued to expand in line with business growth throughout 2009. We now employ 782 people, spread across every state of Australia. In line with this growth, during the year a new role was created and filled for Group General Manager of HR, a company-wide role with overall responsibility for staff in all three business units. This has proved a significant catalyst for change, and many significant initiatives were commenced during the year.

Also appointed during 2009 was the role of Chief Information Officer, filled by a former General Manager from within the business. This role remains focused on internal IT facilities and processes, and is already delivering significant efficiencies due to consolidation and standardisation across the business.

In 2009 for the first time we began to focus on creating a ‘one-CSG’ culture for staff. This is something that is becoming increasingly important, given the rapid rate of growth, and the diversity of locations our staff operate from.

On behalf of all shareholders, I would like to thank our dedicated, talented staff for their ongoing efforts at CSG.

Outlook

2010 is already shaping up to be an exciting year for CSG.

In IT Services, we have significant opportunities to expand organically in the ACT and South Australia by leveraging our existing business and relationships. We are also seeing improvements in business conditions in other states and there is opportunity to win more contracts and expand our base in major markets.

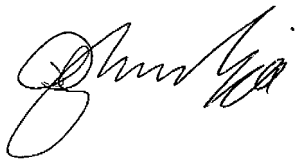
In Print Services, the opportunities are also exciting. We plan to continue to work closely with Fuji-Xerox Australia as one of their key dealers, as well as pursuing an aggressive growth strategy across a number of agencies. Combined with the continuing churn to colour, and the associated improvement in profitability, this division looks set for another strong year.

Internally, we plan to use the first half of 2010 as an opportunity to consolidate processes and systems, and build a strong foundation from which to launch our next growth push. This will ensure the back office remains efficient and effective, and should reap significant dividends over the following years.

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Overall, we feel 2009 has been a great year for CSG, as it has given us the opportunity to prove the quality of the underlying business, and continue to grow and differentiate ourselves from our nearest competitors. We are excited about 2010, and seek to continue to develop ourselves into one of the leading Australian owned IT services companies in the country.

A handwritten signature in black ink, appearing to read 'Denis Mackenzie'.

Denis Mackenzie
Managing Director

board of directors



Mr Philip Chambers
Non-Executive Chairman



Mr Denis Mackenzie
Managing Director



Mr Andrew Kroger
Non-Executive Director



Mr Ian Kew
Non-Executive Director



Mr Philip Bullock
Non-Executive Director

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The Board of CSG Limited ('Company') is committed to protecting shareholders' interests and keeping investors fully informed about the performance of the Company's businesses. The Directors have undertaken to perform their duties with honesty, integrity, care and diligence, according to the law and in a manner that reflects high standards of governance. The Directors have established the following processes to protect the interests and assets of shareholders and to ensure high standards of integrity and governance.

The Board has adopted a formal Board Charter, Audit Committee Charter, Nomination and Remuneration Committee Charter and Code of Conduct for Directors and Officers. Further, the Board has also adopted policies with respect to Independence and Conflicts of Interest, Risk Management, Board Performance Evaluation, CEO Performance Evaluation, Continuous Disclosure and External Communications and Securities Trading. Copies of these charters and policies are available to shareholders on request.

This corporate governance statement is referenced against the revised Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council in August 2007.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Directors of the Company are accountable to shareholders for the proper management of business and affairs of the Company. The Board fulfils these obligations by delegating certain business development responsibilities to the Managing Director, but retains the following responsibilities (as set out in the formally adopted Board Charter):

- agreeing with the Managing Director the annual cycle and process for review of strategic plans, including which stakeholders are to be involved and how;
- ensuring that the whole Board is directly involved in the strategic planning and review processes;
- ensuring that strategy development includes proper consideration by Board and management of associated risks and opportunities;
- ensuring that all approved strategic plans include clear and measurable financial and other objectives;
- requiring that business plans and budgets are prepared (and provided for information to the Board) to support the agreed strategic plans; and
- monitoring and reviewing the performance of the Company against the agreed strategic plans and goals.

The Board is responsible for the development of appropriate internal controls to monitor and supervise the implementation of agreed strategies and policies and the financial and other performance of the Company against approved strategies, budgets, and delegations.

The Board delegates responsibility for day-to-day management of the Company to the Managing Director. The Managing Director must consult the Board on matters that are sensitive, extraordinary or of a strategic nature.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Composition of the board

The Board presently comprises five Directors, four of whom, including the Chairman, are non executive and independent Directors. The Managing Director is an executive Director. Profiles of the Directors are set out on pages 16 and 17 of this Annual Report.

All Directors (except the Managing Director) are subject to retirement by rotation but may stand for re election by the shareholders every three years. The term of the Managing Director's appointment is governed by his terms of engagement.

The composition of the Board is determined by the Board and, where appropriate, external advice is sought. The Board has adopted the following principles and guidelines in determining the composition of the Board:

The Majority of the Board should be independent directors

To be independent, a Director should be non executive and:

- not be a substantial shareholder of the company or an Officer of or otherwise associated, directly or indirectly, with a substantial shareholder of the company;
- not have, within the last three years, been employed in an executive capacity by the Company or another company within the group, or been a Director after ceasing to hold any such employment;
- not be a principal or employee of a professional advisor or consultant to a company in the group whose annual billings to the group represent more than 5% of the advisor's or consultant's total annual billings or greater than 5% of the Company's annual (before tax) profit;
- not be a supplier or customer whose annual revenues from the group represent more than 5% of the Company's annual (before tax) profit or more than 5% of the supplier's or customer's total annual revenue;
- not have a material contractual relationship with the Company or another group company other than as a Director;

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- be free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- not have served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Director Selection

When a vacancy exists through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Nomination and Remuneration Committee are to nominate candidates for the Board to consider for Board membership. A selection procedure is then completed, which includes a review of the candidates' independence, and the Board appoints the most suitable candidate who, in accordance with clause 13.9 of the Company's constitution, must retire but may stand for re election at the next annual general meeting of shareholders.

Board Committees

The Board has established an Audit Committee and a Nomination and Remuneration Committee, which operate under formal Charters (see Principle 4 and Principle 5). The Board has not established a separate risk management committee, as the Board has determined that these matters are appropriately addressed by the full Board.

Independent Professional Advice

A procedure has been determined for each Director to have the right to seek independent professional advice at the Company's expense, subject to the prior approval of the Chairman.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The Company has developed a Code of Conduct to guide the Company's Directors, Managing Director, Chief Financial Officer and other senior executives in respect of ethical behavior. This Code of Conduct is designed to maintain confidence in the Company's integrity and the responsibility and accountability of all individuals within the Company for reporting unlawful and unethical practices.

These codes of conduct embrace such areas as:

- conflicts of interest;
- use of information or position;
- use of Company property;

- confidentiality;
- fair trading;
- compliance with the law;
- whistle blowing; and
- political contributions and activities.

Share trading policy

The Company has adopted a formal Securities Trading Policy, which applies to Directors, the Company Secretary and to all executives and employees of the Company and their associates ('Officers'). The Officers may not deal in any of the Company's security at any time if they have inside information. An Officer may trade in securities in the 6 week period after the release to the ASX of the half-yearly and annual results, the end of the AGM or at any time the Company has a prospectus open, but only if they have no inside information and the trading is not for short term or speculative gain.

An Officer may trade in securities at other times only if they are personally satisfied that they are not in possession of inside information and, with respect to Directors and senior executives, have obtained the approval of the Chairman or in the case of any proposed trade by the Chairman, of another non executive Director nominated by the Chairman for the purpose.

Directors and all senior executives must advise the Company Secretary in writing of the details of completed transactions within 2 business days following each transaction. Such notification is necessary whether or not prior authority has been required. The Secretary must maintain a register of securities transactions. The Company must comply with its obligations to notify ASX in writing of any changes in the holdings of securities or interest in securities by Directors.

PRINCIPLE 4: SAFE GUARD INTEGRITY IN FINANCIAL REPORTING

The Board established a formal Audit Committee on 1 March 2007 under a separate charter. A majority of the members of the Committee are independent non executive Directors and the chairman of the Committee is not the Chairman of the Board. As the Managing Director is a member of the Audit Committee, an element of ASX Corporate Governance Council Best Practice Recommendation 4.3, with respect to only non executive Directors sit on an audit committee, is not met. However, the Board believes that the Managing Director should form part of the Audit Committee, given his knowledge of the various Company business units. Meetings of the Committee may be attended by invitation by the Chief Financial Officer.

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All members of the Committee are financially literate (i.e. they are able to read and understand financial statements) and have an understanding of the industry in which the Company operates. The Directors do not believe that at this stage the Company is of a size or has affairs of such complexity to warrant the appointment of a Director who is a qualified accountant or financial professional. However, the Board will monitor that position regularly and assess the composition of the Audit Committee if circumstances change. Further, the Board envisages that the Chief Financial Officer, who is a Fellow of CPA Australia, will work actively with the Audit Committee.

The Audit Committee will provide an independent review of:

- the effectiveness of the accounting and internal control systems and management reporting, which are designed to safeguard Company assets;
- financial information produced by the Company;
- the accounting policies adopted by the Company;
- the quality of the internal and external audit functions;
- external auditor's performance and independence as well as considering such matters as replacing the external auditor where and when necessary; and
- approving internal audit plans including identified risk areas.

The Board will require that the Managing Director and the Chief Financial Officer state in writing that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operation results and are in accordance with relevant accounting standards. Further, and under the Company's Risk Management Policy, the Managing Director and the Chief Financial Officer must provide written confirmation to the Board that all assurances given by management in respect of the integrity of financial statements are founded on sound systems of risk management and internal compliance and control which implements the policies adopted by the Board.

PRINCIPLE 5: MAKE TIMELY AND BALANCE DISCLOSURE

The Board recognises that the Company, as a publicly listed entity, will have an obligation to make timely and balanced disclosure in accordance with the requirements of the ASX Listing Rules and the Corporations Act 2001. The Board also is of the view that an appropriately informed shareholder base, and market in general, is essential to an efficient market for the Company's securities. The Board is committed to ensuring that shareholders and the market have timely and balanced disclosure of matters concerning the Company.

In demonstration of this commitment, the Company has adopted a formal Continuous Disclosure and External Communications Policy. Amongst other matters, this policy requires the immediate notification to ASX of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities as prescribed under Listing Rule 3.1, except where such information is not required to be disclosed in accordance with the exception provisions of the Listing Rules.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Communication strategy

The Board recognises that the shareholders are the beneficial owners of the Company and respects their rights and will continually seek ways to assist shareholders in the exercise of those rights.

The Board also recognises that as owners of the Company, the shareholders may best contribute to the Company's growth, value and prosperity if they are informed. To this end, and as set out in the Company's Continuous Disclosure and External Communications Policy, the Board seeks to empower shareholders by:

- communicating effectively with shareholders;
- enabling shareholders access to balanced and understandable information about the Company, its operations and proposals; and
- assisting shareholders participation in general meetings.

All shareholders are entitled to receive a copy of the Company's annual and half-yearly reports.

Participation in meetings

The Board is committed to assisting shareholders participation in meetings. In particular, and in accordance with the Company's Continuous Disclosure and External Communications Policy, the Company will ensure that a representative of the Company's external auditor, subject to availability, is present at all Annual General Meetings and that shareholders have adequate opportunity to ask questions of the auditor at that meeting concerning the audit and preparation and content of the auditor's report.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Board carries overall responsibility to all stakeholders for the identification, assessment, management and monitoring of the risks faced by the Company.

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The Company has adopted a formal Risk Management Policy (as required by Recommendation 7.1), which is available to shareholders on request. This policy aims to ensure that the Board implements appropriate risk management policies and procedures in order to protect the assets and undertaking of the Company.

Under the Company's Risk Management Policy, and as outlined under Principle 4, the Managing Director and the Chief Financial Officer must provide written confirmation to the Board that all assurances given by management in respect of the integrity of financial statements are founded on sound systems of risk management and internal compliance and control which implements the policies adopted by the Board.

The board is developing a program to identify particular areas of risk and mitigation actions flowing from that.

- ensuring that the structure of non executive and executive Directors' remuneration is clearly distinguished;
- ensuring that equity-based executive remuneration is paid in accordance with thresholds set in plans as disclosed to or approved by shareholders; and
- reviewing and approving appropriate disclosures to be included in the Company's annual report regarding the Committee, its activities and performance.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Board's primary remuneration objectives are to motivate Directors and management to pursue the long-term growth and success of the Company within an appropriate control framework and to demonstrate a clear relationship between key executive performance and remuneration. The Board believes that it is in the interest of all stakeholders in the Company for there to be in place a remuneration policy that attracts and retains talented and motivated Directors, managers and employees so as to encourage enhanced performance of the Company.

Accordingly, and as noted previously, the Board has established a Nomination and Remuneration Committee, which, amongst other matters, is responsible for the following:

- reviewing and approving the appropriate remuneration of Directors, the Managing Director and senior executives of the Company;
- ensuring that remuneration levels take into account risks involved, demands and time requirements of each role,
- and relevant industry and related benchmarks;
- developing and recommending to the Board remuneration incentive programs such as bonus schemes and Company share schemes;
- developing, maintaining and monitoring appropriate remuneration policies and procedures;

The directors present their report together with the financial report of the consolidated entity consisting of CSG Limited and the entities it controlled, ("CSG" or "the Company") for the financial year ended 30 June 2009 and auditor's report thereon. This financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards

Principal Activities

The principal activities of the consolidated entity during the financial year were provision of information technology and office supply and services.

There has been no significant change in the nature of these activities during the financial year, other than the acquisitions as detailed at Note 24.

Results

The consolidated profit after income tax attributable to the members of CSG was \$23.2m (2008: \$18.8m).

Review of Operations

Details of the operations during the year can be found in the Managing Director's Review on pages 4 to 9 which includes financial and operational highlights. This review forms part of this Directors' Report.

Dividends Paid, Recommended and Declared

A 2 cents per share interim dividend was paid in April 2009 and directors have announced a final dividend of 2.5 cents per share to be paid in October 2009. The dividends paid or declared since the start of the year are as follows:

	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(a) Dividends paid during the year				
Current year interim: Franked dividends (2 cents per share)	3,514	-	3,514	-
Previous year final: Franked dividends (2 cents per share)	3,515	3,420	3,515	3,420
(b) Dividends proposed and not recognised as a liability				
Franked Dividends (2.5 cents per share)	4,393	3,420	4,393	3,420

Significant Changes in the State of Affairs

During the year, the company purchased the subsidiaries and businesses outlined in Note 24. The company issued 4,746,240 shares as consideration for acquisitions.

Other than the above, there have been no significant changes in the consolidated entity's state of affairs during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the consolidated entity.

Likely Developments

The company will continue to pursue its operating strategy to create shareholder value. In the opinion of the directors, disclosure of any further information would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental Regulation

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

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Shares Under Option

Options issued by CSG Ltd during the year are detailed in Note 18 in the attached financial report. Details of options granted to Directors and executives are in the Remuneration report on pages 20 to 21.

No option holder has any right under the options to participate in any other share issue of the company.

The options issued are governed by the terms of the Employee Share Option Plan with each series having a unique expiry date.

Indemnification and Insurance of Directors and Officers

During the financial year, the consolidated entity has paid a premium amounting to \$91,145 insuring all the Directors and the Officers against judgments, settlements, investigative costs, defence costs and costs to appear at inquiries or investigations.

Proceedings on behalf of the Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

Information on Directors and Company Secretary

The qualifications, experience and special responsibilities of each person who has been a Director of CSG Ltd at any time during or since the end of the financial year is provided below, together with details of the company secretary as at the year end.

Mr Philip Chambers.

Non Executive Chairman.

Philip joined the board in February 2007. Philip was Managing Director of Fuji Xerox Australia from 1998 until his retirement in 2006. Prior to this Philip worked for Rank Xerox Australia from 1985 holding management roles in Sydney and Auckland. Philip is a former Director of a peak ITC industry body – the Australian Information Industry Association (AIIA), as well as a former Governor of the American Chamber of Commerce. Philip has a Bachelor of Science degree from Bristol University, England.

Philip is a member of the Audit and Nomination and Remuneration Committees.

Mr Denis Mackenzie.

Managing Director.

Denis is a foundation shareholder and Managing Director of CSG. Denis has worked in CSG since 1996. Denis has run the business since 2001 and has been responsible for and delivered the organic and acquisitive growth of the business during that time. Denis continues to develop and implement strategy to grow the business and diversify into other jurisdictions throughout Australia. Prior to CSG, Denis worked at Macquarie Bank and Coopers and Lybrand. Denis has a commerce degree and a first class honors degree in finance obtained from the University of Queensland. Denis is a member of the AIIA Northern Territory branch committee.

Denis is a member of the Audit and Nomination and Remuneration Committees.

Mr Michael Brodie.

Non Executive Director (Resigned 13 February 2009)

Michael started employment with the Brisbane Xerox Business Centre as a salesman and was promoted to Sales Manager, General Manager and then Managing Director. Over the last 20 years he has developed a successful Xerox copier business based on document applications and customer satisfaction, focusing on the SME market. Michael grew the Brisbane Xerox Business Centre to be the largest Xerox Copier dealer in Australia over the last 5 years. Michael holds a Bachelor of Business Accountancy from Queensland University of Technology and was appointed to the board of CSG in March 2007.

Mr Andrew Kroger.

Non Executive Director.

Andrew has had a career in stockbroking, law and general management including two years running Forsyth Limited in 1990 which was Australia's ninth largest gold producer at that time. Andrew is currently a Director of a listed investment fund, Strategic Pooled Development Limited, and Managing Director of Process Wastewater Technologies Limited, a company with its major business being in wastewater in the United States. Andrew was appointed to the CSG board in March 2007.

Andrew is Chairman of the Nomination and Remuneration Committee.

Mr Ian Kew.

Non Executive Director.

Ian is the Chief Executive Officer for Airport Development Group Pty Ltd which has interests in Darwin International, Alice Springs and Tennant Creek Airports. Ian spent 20 years working for Shell in a variety of oil marketing, operations, change management and special project positions. Ian is on the Board of the Australian Airports Association. Ian has an economics degree from Monash University and was appointed to the board in March 2007.

Ian is Chairman of the Audit Committee.

Mr Philip Bullock.

Non Executive Director (Appointed 1 August 2009).

Philip is currently the Chair of Skills Australia, a Federal Government advisory board reporting to the Deputy Prime Minister. He is also a non executive Director for Healthscope, a leading provider of hospitals and pathology in Australia. Prior to this, Philip had a long and distinguished career with IBM, which saw him become the CEO and Managing Director of IBM Australia and New Zealand and immediately prior to retirement, the Vice President of IBM's Systems and Technology Group for Asia Pacific, based in Shanghai. He has enjoyed four assignments into Asia with IBM.

Kim Clark.

Company Secretary (Appointed 12 December 2008).

Kim joined CSG in October 2007, bringing over 21 years Banking and Finance and Risk Management experience to the group and having previously held Senior Corporate Relationship Management, Risk Management and Executive Roles within the Commonwealth Bank of Australia.

Directors' Meetings

The number of meetings of the board of directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

	Board Meetings		Audit Committee		Nomination and Remuneration Committee	
	(i)	(ii)	(i)	(ii)	(i)	(ii)
Mr Philip Chambers	13	13	3	3	1	1
Mr Denis Mackenzie	13	13	3	3	-	1
Mr Michael Brodie (iii)	8	8				
Mr Andrew Kroger	13	13			1	1
Mr Ian Kew	13	13	3	3		

(i) = Number of meetings held during the year

(ii) = Number of meetings attended

(iii) = Resigned 13 February 2009

Directors' Interests in Shares or Options

Directors' relevant interests in shares of CSG or options over shares in the company are detailed below.

	Ordinary shares of CSG	Options over shares in CSG
Denis Mackenzie	51,291,495	1,000,000
Andrew Kroger	Nil	125,000
Philip Chambers	170,000	125,000
Ian Kew	52,000	125,000

Directors' Interest in Contracts

Directors' interests in contracts are disclosed in Note 22 to the financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Non-audit services

Non-audit services are approved by resolution of the audit committee and approval is provided in writing to the Board of Directors. Non-audit services provided by the auditors of the consolidated entity during the year, Pitcher Partners, are detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to an auditor for non-audit services provided during the year by the auditor to by any entity that is part of the consolidated entity for:	2009 \$'000	2008 \$'000
Due diligence on acquisitions and other assurance	51	118

Remuneration Report

Remuneration Policies

The Board policy for determining the nature and amount of remuneration of Directors and executives is agreed by the Board of Directors as a whole. The Board has established a Nomination and Remuneration Committee, which, amongst other matters, is responsible for the following:

- reviewing and approving the appropriate remuneration of Directors, the Managing Director and senior executives of the Company;

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- ensuring that remuneration levels take into account risks involved, demands and time requirements of each role, and relevant industry and related benchmarks;
- developing and recommending to the Board remuneration incentive programs such as bonus schemes and Company share schemes;
- developing, maintaining and monitoring appropriate remuneration policies and procedures;
- ensuring that the structure of non executive and executive Directors' remuneration is clearly distinguished;
- ensuring that equity-based executive remuneration is paid in accordance with thresholds set in plans as disclosed to or approved by shareholders; and
- reviewing and approving appropriate disclosures to be included in the Company's annual report regarding the Committee, its activities and performance.

The board obtains professional advice where necessary to ensure that the company attracts and retains talented and motivated Directors and employees who can enhance company performance through their contributions and leadership.

For key management personnel, the company provides a remuneration package that incorporates both cash based remuneration and share based remuneration. The contracts for service between the company and specified Directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Share-based remuneration is conditional upon continuing employment thereby aligning Director and shareholder interests. The remuneration policy is not directly related to company performance. The Board considers a remuneration policy based on short-term returns may not be beneficial to the long-term creation of wealth by the company for shareholders.

Non executive directors receive fees and options

The company determines the maximum amount for remuneration, including thresholds for share based remuneration, for directors by resolution.

The names and positions of each person who held the position of Director at any time during the financial year is provided above.

The five named executives in the consolidated group who are in decision making positions for the financial year are listed below. It is deemed that no other executives meet the definition of executive officer.

Executives	Position
Mr. David Ward	Group General Manager
Ms Julie-Ann Kerin	Group General Manager
Mr. Kevin McLaine	Chief Financial Officer
Mr. Brian Lee	Group General Manager
Mr. Trevor Oliver	Chief Information Officer

Contracts of employment

	Expiry	Termination notice	Termination payment
Directors			
Mr Denis Mackenzie	Not specified	6 months	6 months
Executives			
Mr David Ward	Not specified	1 week	1 week
Ms Julie-Ann Kerin	Not specified	8 weeks	8 weeks
Mr Brian Lee	Not specified	4 weeks	4 weeks
Mr Kevin McLaine	1 Jan 10	9 months	9 months
Mr Trevor Oliver	Not specified	4 weeks	4 weeks

Directors' Remuneration

	Short Term			Post employment super	Share-based payments options	TOTAL	Total Performance Related	Paid in Options %
	Salary Fees	Cash Bonus	employment					
2009								
Mr Philip Chambers	91,743	-	8,257	3,260	103,260	0%	3%	
Mr Denis Mackenzie	362,385	-	32,615	1,661	396,661	0%	1%	
Mr Michael Brodie (i)	34,240	-	3,082	3,260	40,581	0%	8%	
Mr Ian Kew	55,046	-	4,954	3,260	63,260	0%	5%	
Mr Andrew Kroger	55,046	-	4,954	3,260	63,260	0%	5%	
	598,460	-	53,862	14,701	667,022	-	2%	
2008								
Mr Philip Chambers	91,743	-	7,637	14,810	114,190	0%	13%	
Mr Denis Mackenzie (ii)	321,100	-	28,899	43,629	393,628	0%	11%	
Mr Michael Brodie	55,046	-	4,954	14,810	74,810	0%	20%	
Mr Ian Kew	55,046	-	4,954	14,810	74,810	0%	20%	
Mr Andrew Kroger	55,046	-	4,954	14,810	74,810	0%	20%	
	577,981	-	51,398	102,869	732,248	-	14%	

(i) Resigned as director on 13 February 2009

(ii) The options granted were subsequently cancelled

Executives' Remuneration

	Short Term			Post employment super	Share-based payments options	TOTAL	Total Performance Related	Paid in Options %
	Salary Fees	Cash Bonus	employment					
2009								
Mr David Ward	300,000	-	-	6,176	306,176	0%	2%	
Mr Brian Lee	306,462	-	13,745	2,995	323,202	0%	1%	
Mr Kevin McLaine	300,000	-	-	15,815	315,815	0%	5%	
Mr Trevor Oliver	246,188	-	15,728	2,865	264,782	0%	1%	
Ms Julie-Ann Kerin (i)	255,769	-	23,019	2,995	281,783	0%	1%	
	1,408,419	-	52,492	30,846	1,491,758	-	2%	
2008								
Mr David Ward	252,200	-	-	1,101	253,301	0%	0%	
Mr Bruce Dinsdale (ii)	218,650	-	12,119	5,778	236,547	0%	2%	
Mr Brian Lee (iii)	9,615	-	865	-	10,480	0%	0%	
Mr Kevin McLaine	225,000	-	-	2,752	227,752	0%	1%	
Mr Trevor Oliver	138,440	100,000	15,351	550	254,341	39%	0%	
	843,905	100,000	28,335	10,181	982,421	-	1%	

(i) Employed for part of the relevant year. Ms Julie-Ann Kerin commenced employment on 25 August 2008

(ii) Mr Bruce Dinsdale resigned as Group General Manager of IT Services on 31 July 2008

(iii) Employed for part year. Mr Brian Lee commenced employment in June 2008

directors' report

Options granted as remuneration are subject to the company option plan. Options granted as remuneration are valued at grant date in accordance with AASB 2 Share-based Payments.

Performance Related: Performance based bonus above is payable on certain earnings targets set for executive's profit centre responsibilities. The bonuses paid in 2008 were structured on achievement of the relevant earnings targets.

Options

(a) Compensation Options: Granted and vested during the year

	Vested Number	Granted Number	Grant Date	Value per option at grant date	Terms and conditions for each grant				
					Exercise Price \$	Expiry Date	First Exercise Date	Last Exercise Date	
Directors									
Denis Mackenzie	1,000,000	1,000,000	1/12/2008	\$0.002	1.00	31/10/2010	1/12/2008	31/10/2010	
Executives									
Julie-Ann Kerin	200,000	200,000	8/10/2008	\$0.002	1.00	31/10/2010	1/11/2008	31/10/2010	
Brian Lee	200,000	200,000	8/10/2008	\$0.002	1.00	31/10/2010	1/11/2008	31/10/2010	
Kevin McLaine	750,000	750,000	8/10/2008	\$0.002	1.00	31/10/2010	1/11/2008	31/10/2010	
Trevor Oliver	50,000	50,000	8/10/2008	\$0.001	1.25	31/10/2010	1/11/2008	31/10/2010	
David Ward	200,000	200,000	8/10/2008	\$0.001	1.25	31/10/2010	1/11/2008	31/10/2010	
	2,400,000	2,400,000							

The cost of options has been calculated using the Black-Scholes method of calculation. Refer to Note 18.

Value of options granted as remuneration that have been granted, exercised or lapsed during the year:

	Balance 01/07/08 \$	Value Granted \$	Value Exercised \$	Value Lapsed \$	Balance 30/06/09 \$
Directors					
Philip Chambers	14,356	-	-	7,178	7,178
Denis Mackenzie	-	1,661	-	-	1,661
Michael Brodie	14,356	-	-	14,356	-
Ian Kew	14,356	-	-	7,178	7,178
Andrew Kroger	14,356	-	-	7,178	7,178
	57,424	1,661	-	35,890	23,195
Executives					
Julie-Ann Kerin	-	2,995	-	-	2,995
Brian Lee	-	2,995	-	-	2,995
Kevin McLaine	17,108	15,815	-	5,924	26,999
Trevor Oliver	550	2,865	-	-	3,415
David Ward	1,101	6,176	-	-	7,277
Bruce Dinsdale	1,415	-	-	948	467
	20,174	30,846	-	6,872	44,148

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(b) Options granted as remuneration that have been exercised or lapsed during the financial year:

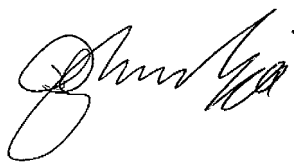
	Balance 01/07/08	Granted as remuneration	Options exercised	Options Lapsed	Balance 30/06/09	Total vested 30/06/09	Total Exercisable 30/06/09	Total Unexercisable 30/06/09
Directors								
Philip Chambers	250,000	-	-	(125,000)	125,000	125,000	125,000	-
Denis Mackenzie	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
Michael Brodie	250,000	-	-	(125,000)	125,000	125,000	125,000	-
Ian Kew	250,000	-	-	(125,000)	125,000	125,000	125,000	-
Andrew Kroger	250,000	-	-	(125,000)	125,000	125,000	125,000	-
	1,000,000	1,000,000	-	(500,000)	1,500,000	1,500,000	1,500,000	-
Executives								
Julie-Ann Kerin	-	200,000	-	-	200,000	200,000	200,000	-
Brian Lee	-	200,000	-	-	200,000	200,000	200,000	-
Kevin McLaine	700,000	750,000	-	(100,000)	1,350,000	1,350,000	1,350,000	-
Trevor Oliver	100,000	50,000	-	-	150,000	150,000	150,000	-
David Ward	200,000	200,000	-	-	400,000	400,000	400,000	-
Bruce Dinsdale	150,000	-	-	(75,000)	75,000	75,000	75,000	-
	1,150,000	1,400,000	-	(175,000)	2,375,000	2,375,000	2,375,000	-

*Note: Net change includes options forfeit and cancelled.

Rounding of Amounts

The amounts contained in the report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies

Signed in accordance with a resolution of directors.



Mr Denis Mackenzie
Director

Darwin
23 September 2009

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auditor's independence declaration

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PITCHER PARTNERS

An independent Victorian Partnership
ABN 27 975 255 196

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of CSG Limited

In relation to the independent audit for the year ended 30 June 2009, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.
- (ii) No contraventions of any applicable code of professional conduct.

T J BENFOLD
Partner
23 September 2009

PITCHER PARTNERS
Melbourne

financial report

for the year ended 30 june 2009



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consolidated income statement

for the year ended 30 june 2009

	Notes	Consolidated entity		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Revenue from continuing operations	4	195,130	132,676	7,979	8,356
Other income	4	2,137	845	5,105	5,274
		197,267	133,521	13,084	13,630
Cost of sales	5	(106,123)	(71,939)	-	-
Marketing expenses		(875)	(692)	(42)	(25)
Occupancy expenses		(5,081)	(3,249)	(1,030)	(676)
Administration expenses		(10,115)	(6,725)	(1,201)	(543)
Other employee expenses	5	(22,330)	(16,313)	(1,876)	(1,422)
Depreciation and amortisation	5	(14,204)	(4,174)	(27)	(2)
Other expenses		(798)	(475)	(97)	(63)
Sub Contractor expenses		(1,164)	(606)	(326)	(235)
Finance costs	5	(3,624)	(2,661)	(2,641)	(1,782)
		(164,314)	(106,834)	(7,240)	(4,748)
Profit before income tax		32,953	26,687	5,844	8,882
Income tax expense	6	(9,710)	(7,888)	(352)	(1,283)
Profit from continuing operations	5	23,243	18,799	5,492	7,599
		Cents	Cents		
Basic earnings per share	23	\$0.13310	\$0.11083		
Diluted earnings per share	23	\$0.13310	\$0.11006		

The accompanying notes form part of these financial statements

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consolidated balance sheet

as at 30 june 2009



	Notes	Consolidated entity		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
CURRENT ASSETS					
Cash and cash equivalents	8	3,756	8,289	-	274
Receivables	9	47,552	21,490	20,814	11,288
Inventories	10	1,981	1,824	-	-
Other	11	1,499	563	188	209
TOTAL CURRENT ASSETS		54,788	32,166	21,002	11,771
NON CURRENT ASSETS					
Receivables	9	-	122	-	123
Other financial assets	12	1,112	1,006	1,112	1,006
Investment in Controlled Entities		-	-	67,966	57,523
Deferred Tax Assets	6	2,448	1,971	322	990
Property, plant and equipment	13	20,769	14,790	276	7
Intangible assets	14	111,008	93,861	29,417	29,390
TOTAL NON CURRENT ASSETS		135,337	111,750	99,093	89,039
TOTAL ASSETS		190,125	143,916	120,095	100,810
CURRENT LIABILITIES					
Payables	15	51,281	27,834	6,122	8,227
Short term borrowings	16	111	218	-	-
Payable to Related Parties		-	-	17,681	9,163
Current tax payable	6	2,877	3,629	2,877	3,629
Provisions	17	3,872	2,296	101	62
TOTAL CURRENT LIABILITIES		58,141	33,977	26,781	21,081
NON CURRENT LIABILITIES					
Payables	15	6,000	5,499	6,000	5,499
Long term borrowings	16	39,227	38,489	34,070	23,872
Provisions	17	932	749	17	3
TOTAL NON CURRENT LIABILITIES		46,159	44,737	40,087	29,374
TOTAL LIABILITIES		104,300	78,714	66,868	50,455
NET ASSETS		85,825	65,202	53,227	50,355
EQUITY					
Contributed equity	18	48,250	43,907	48,250	43,907
Reserves	19	199	133	199	133
Retained profits	19	37,376	21,162	4,778	6,315
TOTAL EQUITY		85,825	65,202	53,227	50,355

The accompanying notes form part of these financial statements

consolidated statement of change in equity

for the year ended 30 June 2009

	Notes	Consolidated entity		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
TOTAL EQUITY AT THE BEGINNING OF THE YEAR		65,202	44,905	50,355	41,258
Employee Share Options	19	66	62	66	62
Net income recognised directly in equity		66	62	66	62
Profit for the year after income tax		23,243	18,799	5,492	7,599
Total recognised income and expense for the period		23,309	18,861	5,558	7,661
Attributable to:					
Members of parent		23,309	18,861	5,558	7,661
		23,309	18,861	5,558	7,661
Transactions with equity holders in their capacity as equity holders:					
Dividends/Distributions paid	7	(7,029)	(3,420)	(7,029)	(3,420)
Acquisition of Bexton Professional Pty Ltd	18	3,343	1,500	3,343	1,500
Acquisition of Power Accounting Pty Ltd	18	1,000	2,000	1,000	2,000
Deferred tax asset on capital raising cost incurred in prior year	18	-	1,356	-	1,356
		(2,686)	1,436	(2,686)	1,436
TOTAL EQUITY AT THE END OF THE YEAR		85,825	65,202	53,227	50,355

The accompanying notes form part of these financial statements

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consolidated statement of cash flows

for the year ended 30 june 2009



	Notes	Consolidated entity		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		199,627	140,562	360	110
Payments to suppliers, employees and others		(142,961)	(107,609)	(3,381)	(2,989)
Interest income		140	350	105	274
Borrowing costs paid		(3,624)	(2,661)	(2,641)	(1,782)
Income tax paid		(10,621)	(7,178)	(855)	(1,023)
Net cash inflow (outflow) from operating activities	20(a)	42,561	23,464	(6,412)	(5,410)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for investments		(133)	(1,006)	(133)	(1,006)
Payment for licenses		(2,750)	(2,258)	-	-
Payments for property, plant and equipment		(5,781)	(7,260)	(296)	(9)
Proceeds from property, plant and equipment		712	432	-	-
Payments for businesses	24	(32,713)	(32,605)	(9,245)	(26,598)
Net cash outflow from investing activities		(40,665)	(42,697)	(9,674)	(27,613)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		4,759	21,144	7,868	17,472
Loans repaid		(4,159)	(2,891)	-	-
Intercompany loan		-	-	12,643	12,299
Dividends and reserve distributions		(7,029)	(3,420)	(7,029)	(3,420)
Net cash flows from financing activities		(6,429)	14,833	13,482	26,351
Net decrease in cash held		(4,533)	(4,400)	(2,604)	(6,672)
Cash at the beginning of the financial year		8,289	12,689	274	6,946
Cash and cash equivalents at end of year	20(b)	3,756	8,289	(2,330)	274

The accompanying notes form part of these financial statements

notes to the financial statements

30 june 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

The financial report covers CSG Ltd as an individual parent entity and CSG Ltd and controlled entities as a consolidated entity. CSG Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the directors on 23 September 2009.

The following is a summary of material accounting policies which have been adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with Australian equivalents to International Financial Reporting Standards ensures compliance with International Financial Reporting Standards (IFRS).

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets described in the accounting policies.

(a) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and all of the entities, which CSG Ltd controlled from time to time during the year and at balance date. Details of the controlled entities are contained in Note 22.

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All inter company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(b) Business combinations

The directors identified for the 2007 financial statements that the business combination, encompassing the restructure of CSG that occurred in March 2007 constituted a reverse acquisition as defined under AASB 3: Business Combinations. Accordingly, the consolidated financial statements have been issued under the name of the new legal parent entity, CSG Limited, but reflect a continuation of the financial statements of the aggregated CSG Group with common control that existed prior to the restructure of the group.

The cost of business combinations is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by CSG in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

(c) Revenue recognition

Sale of Goods

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods and disposal of other assets is recognised when significant risks and rewards of ownership of the goods has passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The revenue recognised from rendering of services combines:

- (i) invoicing from the provision of the group's services inclusive of the amounts due and payable under the terms of the long term service contracts; and
- (ii) revenue not yet invoiced but earned on work completed in servicing long term service contracts which, while owing to the group under the terms of those contracts, will not become payable until future years.

The long term service contracts specifically detail both services to be performed and the invoicing components for each year of the contracts. The group's contract administration system enables the stage of completion of each contract to be reliably determined.

Equipment sales under financing arrangement

Equipment which is subject to rental agreements with customers may be sold to a finance company prior to the commencement of the rental agreement. Rental payments are collected by the relevant CSG entity and passed on to the finance company. A sale is recognised when goods have been dispatched to a customer pursuant to a rental agreement and a sales invoice has been issued to the finance company. Under these arrangements the risks of ownership of the equipment passes to the customer upon delivery of the equipment to the customer and the credit risk in relation to the rental stream passes to the finance company. In these circumstances the entity guarantees to buy back the equipment for a nominal amount at the end of the rental agreement (or upon termination of the agreement) based on the term of the agreement.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Distributions are recognised when the right to receive the distribution has been established.

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

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short term deposits with an original maturity of three months or less held at call with financial institutions and bank overdrafts. Bank overdrafts are shown within long-term borrowings in non-current liabilities on the balance sheet.

(e) Receivables

All trade receivables are recognised initially at fair value, and subsequently at amortised cost, less a provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is not material. The amount of the provision is recognised in the income statement.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion.

(g) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment charges. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

Depreciation of property, plant and equipment is calculated on a straight line and diminishing value basis to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives to the Company.

The following rates used in the calculation of depreciation are as follows:

Assets	Rate	Method
Leasehold improvements	2.5% – 4%	Diminishing value and straight line
Planes	2.5% – 37.7%	Diminishing value and straight line
Plant and equipment	5% – 50%	Diminishing value and straight line
Motor vehicles	8.75% – 25%	Diminishing value
Office computer equipment	15% – 50%	Diminishing value and straight line
Furniture and fittings	7.5% – 37.5%	Diminishing value and straight line
Leased plant and equipment	20% – 50%	Straight line

notes to the financial statements

30 june 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Intangible assets

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill acquired in business combination is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount if goodwill relating to the entity is sold.

Licenses

Licenses have a finite useful life and are recorded at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the licenses over their estimated useful life.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year, which are unpaid.

(j) Borrowings

Borrowings are initially recognised at fair value. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(k) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit 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.

Share-based payments

The group operates an employee share option plan. The bonus element over the exercise price for the grant of options is recognised as an expense in the Income Statement in the period(s) when the benefit is earned.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options at grant date. The fair value of options at grant date is determined using the Black Scholes option pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the option.

(l) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount of the provision can be measured reliably.

(m) 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.

Finance Leases

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets.

Operating Lease

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Lease Income

Lease income from operating leases is recognised on a straight line basis over the term of the relevant lease, except to the extent that another systematic basis is more representative of the pattern in which economic benefits derived from the leased asset are consumed.

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(n) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or for the acquisition of a business are included in the cost of the acquisition as part of the purchase consideration.

(o) Income tax

Current income tax expense or revenue is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation

CSG Limited and its subsidiaries have formed an income tax consolidated group under the tax consolidation legislation on 1 July 2007. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(q) Financial instruments

Classification

The entity classifies its financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables. The classification of financial instruments depends on the purpose for which the financial instrument was acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets

Non-listed investments, for which fair value cannot be reliably measured, are carried at cost and tested for impairment.

Loans and Receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter company balances and loans from or other amounts due to director related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(r) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(s) Rounding of amounts

The company is of a kind referred to in ASIC Class order 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

notes to the financial statements

30 june 2009

(t) New accounting standards and interpretations

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. The directors have not yet assessed the impact of these standards or interpretations.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

(a) Estimated impairment of goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using a discount rate of between 9.5% – 10% to determine value-in-use.

(b) Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Employment Benefits

Calculation of long term employment benefits requires estimation of the retention of staff, future remuneration levels and timing of the settlement of the benefits. The estimates are based on historical trends.

(d) Share based payments

Calculation of share based payments requires estimation of the timing of the exercise of the underlying instrument. The estimates are based on historical trends.

NOTE 3: FINANCIAL RISK MANAGEMENT

The major financial instruments entered into by the group comprise short term trade receivables and payables and long term borrowings. The consolidated entity does not have any significant financial risks in respect of trade receivables and payables. The main area of financial risk arises in respect of interest rate risk on long-term borrowings. Certain aspects of financial risk management are considered further as detailed below:

The consolidated entity is exposed to a variety of financial risks comprising:

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk
- (d) Fair values

The Board of Directors has overall responsibility for identifying and managing operational and financial risks.

(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 the balance date, are as follows:

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Financial Instruments	Floating Interest Rate		Fixed Interest Rate Maturing in :						Non Interest bearing		Total carrying amount as per Balance Sheet		Weighted Average Effective Interest Rate	
	2009 \$'000	2008 \$'000	1 year or less 2009 \$'000	1 year or less 2008 \$'000	1 - 5 years 2009 \$'000	1 - 5 years 2008 \$'000	> 5 years 2009 \$'000	> 5 years 2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(i) Financial Assets														
Cash and Cash Equivalents	3,745	8,283	-	-	-	-	-	-	11	6	3,756	8,289	1.75%	6.00%
Trade Receivables	-	-	-	-	-	-	-	-	38,871	18,502	38,871	18,502		
Sundry Debtors	-	-	-	-	-	-	-	-	8,681	2,988	8,681	2,988		
Other financial assets	-	-	-	-	-	-	-	-	1,112	1,006	1,112	1,006		
Other receivables	-	-	-	-	-	-	-	-	-	122	-	122		
Total Financial Assets	3,745	8,283	-	-	-	-	-	-	48,675	22,624	52,420	30,907		
(ii) Financial Liabilities														
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	6.44%	9.82%
Trade Payables	-	-	-	-	-	-	-	-	10,096	8,803	10,096	8,803		
Other Payables	-	-	339	-	-	-	-	-	35,646	10,064	35,985	10,064	3.00%	-
Finance Lease & Hire Purchase Liability	-	-	111	218	3,131	7,182	-	-	-	-	3,242	7,400	7.74%	7.69%
Current Tax Liability	-	-	-	-	-	-	-	-	2,877	3,629	2,877	3,629		
Deferred Consideration	-	-	-	-	-	-	-	-	11,200	14,466	11,200	14,466		
Bank loans	-	-	-	-	157	3,012	-	-	-	-	157	3,012	6.79%	9.68%
Bills Payable	25,939	8,295	-	-	10,000	20,000	-	-	-	-	35,939	28,295	4.44%	7.69%
Total Financial Liabilities	25,939	8,295	450	218	13,288	30,194	-	-	59,819	36,962	99,496	75,670		

Interest rate transactions entered into by the consolidated entity exchange variable and fixed interest payment obligations to protect long term borrowings from the risk of increasing interest rates. The entity has both variable and fixed rate debt and entered into swap contracts to fix the interest rate on \$10,000,000 of borrowings until 11 January 2011 at 7.73% and to cap the interest rate on a further \$10,000,000 of borrowings until 11 January 2010 at 7.5%.

(b) Credit risk exposures

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

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

Concentrations of credit risk

The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

(c) Liquidity risk

The entity produces positive cash flows from operating activities on an ongoing basis. Refer to Note 20(b) for details on the unused banking facility.

(d) Fair values

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the Balance Sheet and Notes to the financial statements.

notes to the financial statements

30 june 2009

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	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 4: REVENUE				
Revenues from continuing operation				
Sales revenue				
Revenue from sales of goods	41,070	42,955	-	-
Revenue from services	154,060	89,721	297	100
Distributions	-	-	7,682	8,256
	195,130	132,676	7,979	8,356
Other Revenue				
Interest	140	350	105	274
Dividends	-	-	5,000	5,000
Sundry	1,948	420	-	-
Rental	-	45	-	-
Profit on sale of fixed assets	49	30	-	-
	2,137	845	5,105	5,274

	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 5: PROFIT FROM CONTINUING OPERATIONS				
Profit from continuing operations before income tax has been determined after the following specific expenses				
<i>Cost of goods sold</i>				
3rd party products	31,573	33,537	-	-
Cost of Sales – Service (ii)	20,161	6,843	-	-
	51,734	40,380	-	-
<i>Employee benefits expenses</i>				
Shared Based Payments	66	62	66	62
Other Employee Expenses	22,264	16,251	1,810	1,360
Cost of Sales – Service (Employee Benefits) (i)	54,389	31,559	-	-
Employee benefits expense	76,719	47,872	1,876	1,422
<i>Other</i>				
Doubtful Debts	1	-	-	-
Bad Debts	166	67	-	-
Operating lease rental	1,848	974	-	-
<i>Depreciation/Amortisation of non current assets</i>				
Plant and equipment	12,885	3,560	27	2
Leased property, plant and equipment	30	69	-	-
Leasehold improvements	134	75	-	-
Amortisation of intangible assets	1,155	470	-	-
Total depreciation/amortisation of non current assets	14,204	4,174	27	2
<i>Finance costs expensed</i>				
Interest and charges	3,624	2,661	2,641	1,782
Total finance costs expensed	3,624	2,661	2,641	1,782

(i) In the 2009 year, Cost of Sales – Services (Employee Benefits) have been disclosed on the Consolidated Income Statement as Cost of Sales. (2008: Disclosed as Other Employee Benefits).

(ii) Cost of Sales –Service relates to third party contracted staff only.

2008 Employee Benefits have been restated in accordance with the above.

notes to the financial statements

30 june 2009

For personal use only

	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 6: INCOME TAX				
(a) The components tax expense				
Current tax	10,068	7,848	(269)	1,111
Deferred tax	(144)	40	397	172
Adjustments for current tax of prior periods	(214)	-	224	-
Total income tax expense	9,710	7,888	352	1,283
(b) The Prima facie income tax expense on pre tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:				
Profit before tax	32,953	26,687	5,844	8,882
Taxable profit from operations	32,953	26,687	5,844	8,882
Income tax calculated at 30%	9,886	8,006	1,753	2,265
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Non deductible expenses, net	71	104	4	30
Share-based payments	20	19	20	19
Other	(267)	(241)	(1,425)	(1,031)
Income tax expense	9,710	7,888	352	1,283
(c) Current tax liabilities				
Current tax liabilities	2,877	3,629	(10)	809
Inter company tax balance	-	-	2,887	2,820
	2,877	3,629	2,877	3,629
(d) Deferred tax balances				
Deferred tax assets comprise:				
Temporary differences	2,448	1,971	322	990
	2,448	1,971	322	990

Consolidated Entity 2009	Opening Balance	Business Combinations	Charged to income	Charged to equity	Closing Balance
Gross deferred tax liabilities:					
Property, plant & equipment	(306)	-	263	-	(43)
Investment in CSG Unit Trust	149	-	(457)	-	(308)
Other	(12)	-	5	-	(7)
	(169)	-	(189)	-	(358)
Gross deferred tax assets:					
Doubtful debts	20	-	(6)	-	14
Accrued expenses	235	2	173	-	410
Provision for annual and long service leave	707	623	104	-	1,434
Other	309	(4)	(42)	-	263
Investment in Anadex Trust	8	-	3	-	11
Blackhole Deductions	861	-	-	(288)	573
Losses available for offset against future taxable income	-	-	101	-	101
	2,140	621	333	(288)	2,806
Net deferred tax asset/(Liabilities)	1,971	621	144	(288)	2,448

Parent Entity 2009	Opening Balance	Business Combinations	Charged to income	Charged to equity	Closing Balance
Gross deferred tax liabilities:					
Investment in CSG Unit Trust	149	-	(457)	-	(308)
	149	-	(457)	-	(308)
Gross deferred tax assets:					
Accrued expenses	-	-	42	-	42
Provision for annual and long service leave	20	-	15	-	35
Investment in Anadex Trust	8	-	3	-	11
Blackhole Deductions	813	-	-	(271)	542
	841	-	60	(271)	630
Net deferred tax asset/(Liabilities)	990	-	(397)	(271)	322

	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Unrecognised deferred tax balances				
The following deferred tax assets have not been brought to account as assets:				
Tax losses - revenue	-	-	-	-
Tax losses - capital	346	346	346	346
	346	346	346	346

notes to the financial statements

30 june 2009

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	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 7: DIVIDENDS ON ORDINARY SHARES				
(a) Dividends paid during the year				
<i>(i) Current year interim</i>				
Franked dividends (2.0 cents per share) (2008: 2.0 cents per share)	3,514	-	3,514	-
<i>(ii) Previous year final</i>				
Franked dividends (2.0 cents per share) (2008: 2.0 cents per share)	3,515	3,420	3,515	3,420
	7,029	3,420	7,029	3,420
(b) Dividends proposed and not recognised as a liability				
Franked dividends (2.5 cents per share) (2008: 2.0 cents per share)	4,393	3,420	4,393	3,420
(c) Franking credit balance				
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and deducting franking credits to be used in payment of proposed dividends:	18,323	13,877	18,323	13,877
Impact of the franking account of dividends recommended by the directors since the year end but not recognised as a liability at year end	(1,883)	(1,466)	(1,883)	(1,466)
	16,440	12,411	16,440	12,411
NOTE 8: CASH AND CASH EQUIVALENTS				
Cash at bank	3,745	6,986	-	274
Cash on hand	11	6	-	-
Short term deposits	-	1,297	-	-
	3,756	8,289	-	274

	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 9: RECEIVABLES				
CURRENT				
Trade receivables	38,919	18,549	254	275
Provision for doubtful debts	(48)	(47)	-	-
Receivables from related parties	-	-	20,551	10,995
Sundry debtors	8,681	2,988	9	18
	47,552	21,490	20,814	11,288
NON CURRENT				
Other receivables	-	122	-	123
	47,522	21,612	20,814	11,411
NOTE 10: INVENTORIES				
Finished goods – at cost	1,981	1,824	-	-
	1,981	1,824	-	-
NOTE 11: OTHER CURRENT ASSETS				
Prepayments	1,499	563	188	209
	1,499	563	188	209
NOTE 12: OTHER FINANCIAL ASSETS				
NON CURRENT				
Non listed investments at cost	1,112	1,006	1,112	1,006
	1,112	1,006	1,112	1,006

notes to the financial statements

30 june 2009

Notes	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 13: PROPERTY, PLANT AND EQUIPMENT				
Leasehold improvements				
At Cost	1,886	1,775	14	-
Accumulated amortisation	(250)	(169)	-	-
13(a)	1,636	1,606	14	-
Plant and equipment				
At Cost	27,596	17,607	92	-
Accumulated depreciation	(11,664)	(7,540)	-	-
13(a)	15,932	10,067	92	-
Planes				
At Cost	462	907	-	-
Accumulated depreciation	(141)	(190)	-	-
13(a)	321	717	-	-
Furniture and fittings				
At Cost	1,714	1,470	-	-
Accumulated depreciation	(668)	(429)	-	-
13(a)	1,046	1,041	-	-
Office computer equipment				
At Cost	4,125	2,195	73	9
Accumulated depreciation	(2,809)	(1,284)	(27)	(2)
13(a)	1,316	911	46	7
Motor vehicles				
At Cost	811	621	125	-
Accumulated depreciation	(332)	(282)	(1)	-
13(a)	479	339	124	-
Leased plant & equipment				
At Cost	128	208	-	-
Accumulated amortisation	(89)	(99)	-	-
13(a)	39	109	-	-
Total written down value	20,769	14,790	276	7

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	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(a) Reconciliation of the carrying amount of property, plant and equipment at the beginning of the year				
Leasehold improvements				
Carrying amount	1,606	497	-	-
Transfer between classes	(13)	96	14	-
Additions	177	933	-	-
Additions through acquisitions	-	155	-	-
Depreciation expense	(134)	(75)	-	-
	1,636	1,606	14	0
Plant & equipment				
Carrying amount	10,067	7,719	-	-
Transfer between classes	(618)	455	92	-
Additions	4,593	4,811	-	-
Disposals	(5,857)	(7)	-	-
Additions through acquisitions	19,626	-	-	-
Depreciation expense	(11,879)	(2,901)	-	-
	15,932	10,067	92	0
Plane				
Carrying amount	717	795	-	-
Transfer between classes	-	-	-	-
Additions	20	228	-	-
Disposals	(357)	(228)	-	-
Depreciation expense	(59)	(78)	-	-
	321	717	0	0
Furniture & fittings				
Carrying amount	1,041	803	-	-
Transfer between classes	92	-	-	-
Additions	83	431	-	-
Disposals	-	(96)	-	-
Additions through acquisitions	-	79	-	-
Depreciation expense	(170)	(176)	-	-
	1,046	1,041	0	0
Office computer equipment				
Carrying amount	911	864	7	9
Transfer between classes	524	(544)	65	-
Additions	566	759	-	-
Disposals	(10)	-	-	-
Additions through acquisitions	6	157	(26)	-
Depreciation expense	(681)	(325)	-	(2)
	1,316	911	46	7

Disposals of \$5.9m has been sold to customers at written down value and treated as cash receipts from customers.

notes to the financial statements

30 june 2009

For personal use only

	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 13: PROPERTY, PLANT AND EQUIPMENT (continued)				
Motor Vehicles				
Carrying amount	339	402	-	-
Transfer between classes	15	(10)	125	-
Additions	342	94	-	-
Disposals	(141)	(67)	-	-
Additions through acquisitions	20	-	(1)	-
Depreciation expense	(96)	(80)	-	-
	479	339	124	0
Lease plant and equipment				
Carrying amount	109	163	-	-
Transfer between classes	-	13	-	-
Additions	-	4	-	-
Disposals	(40)	(2)	-	-
Amortisation expense	(30)	(69)	-	-
	39	109	0	0
NOTE 14: INTANGIBLES				
Goodwill				
Goodwill on consolidation	71,820	60,643	-	-
Goodwill at cost	30,679	30,533	29,390	29,390
Net carry amount	102,499	91,176	29,390	29,390
Opening net book amount	91,176	49,161	29,390	29,390
Additions	14,770	41,985	-	-
Deferred cost written back	(3,447)	-	-	-
Closing net book value	102,499	91,176	29,390	29,390
Licenses and other intangibles assets				
Licenses and other intangibles at cost	10,134	3,155	27	-
Accumulated amortisation	(1,625)	(470)	-	-
Net Carry amount	8,509	2,685	27	-
Opening net book amount	2,685	897	-	-
Additions	6,979	2,258	27	-
Amortisation expense	(1,155)	(470)	-	-
Closing net book value	8,509	2,685	27	-
Total	111,008	93,861	29,417	29,390

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	Notes	Consolidated entity		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 15: PAYABLES					
CURRENT					
Trade payables		10,096	8,803	376	337
Deferred consideration	24	5,200	8,967	5,200	7,847
Other payables		35,985	10,064	546	43
		51,281	27,834	6,122	8,227
NON CURRENT					
Deferred consideration	24	6,000	5,499	6,000	5,499
		6,000	5,499	6,000	5,499
NOTE 16: BORROWINGS					
<i>Secured</i>					
CURRENT					
Lease and hire purchase liabilities (ii)	21	111	218	-	-
NON CURRENT					
<i>Secured</i>					
Bank overdrafts (i)		-	-	2,330	-
Lease and hire purchase liabilities (ii)	21	3,131	7,182	-	-
Borrowings (i)		36,096	31,307	31,740	23,872
		39,227	38,489	34,070	23,872

(a) Terms and conditions relating to the above financial instruments

- (i) Bank loans and commercial bills are secured by mortgage over the assets of the companies, unit trust and trusts and various undertakings. The facility is due for renewal in August 2011.
- (ii) Lease and Hire Purchase liabilities are secured by assets leased or under hire purchase

(b) Information about interest rate risk is detailed in Note 3.

notes to the financial statements

30 june 2009

	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 17: PROVISIONS				
CURRENT				
Employee Benefits	3,872	2,296	101	62
NON CURRENT				
Employee Benefits	932	749	17	3
Aggregate employee benefits liability	4,804	3,045	118	65

NOTE 18: CONTRIBUTED EQUITY

(a) Share capital

Ordinary shares fully paid	48,250	43,907	48,250	43,907
	48,250	43,907	48,250	43,907

(b) Movement in shares on issue

	Parent and Consolidated Entity 2009		Parent and Consolidated Entity 2008	
	No. of shares	\$'000	No. of shares	\$'000
Beginning of the financial year	170,984,435	43,907	168,851,052	39,051
Acquisition Bexton Professional Pty Ltd (i)	3,715,312	3,343	1,098,901	1,500
Acquisition CSG Solutions Pty Ltd (ii)	1,030,928	1,000	1,034,482	2,000
Capital raising costs deferred tax asset	-	-	-	1,356
Balance at the end of the year	175,730,675	48,250	170,984,435	43,907

The following is a summary of the transactions that have occurred during the year end 30 June 2009:

- (i) Issue of 3,715,312 shares and the payment of \$3,343,780 to earn-out consideration to acquire Bexton Professional Pty Ltd
- (ii) Issue of 1,030,928 shares and the payment of \$1,000,000 to earn-out consideration to acquire CSG Solution Pty Ltd (formerly Power Accounting Pty Ltd)

(c) Employee share scheme

The company continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the companies.

The current option plans have the following specifications:

The options issued in 3 series are governed by the terms of the Plan:

Series 1 options, comprising 25% of total options granted, are only exercisable following the announcement of the CSG's end of half year results to December 2007, at an Exercise Price of \$1.25 per Option, and will automatically lapse if they are not exercised within 6 months of this date.

Series 2 options, comprising 25% of total options granted, are only exercisable following the announcement of the CSG's end of full year results to June 2008, at an Exercise Price of \$1.25 per Option, and will automatically lapse if they are not exercised within 6 months of this date.

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Series 3 options, comprising 50% of total options granted, are only exercisable following the announcement of the CSG's end of half year results to December 2008, at an Exercise Price of \$1.25 per Option, and will automatically lapse if they are not exercised within 6 months of this date.

During or since the end of financial year, 0 (2008: 150,000 options) have been granted under this scheme. During the year 675,000 have lapsed.

The options issued in 1 series are governed by the terms of the Plan:

(a) Series 1 options, comprising 100% of total options granted, are only exercisable following 1 August 2008, at an Exercise Price of \$1.25 per Option, and will automatically lapse if they are not exercised within 2 years of this date.

During or since the end of financial year, 0 (2008: 1,150,000 options) have been granted under this scheme. During the year 100,000 have lapsed.

(b) Series 1 options, comprising 100% of total options granted, are only exercisable following 1 November 2008, at an Exercise Price of \$1.00 per Option, and will automatically lapse if they are not exercised within 2 years of this date.

During or since the end of financial year, 2,150,000 (2008: Nil options) have been granted under this scheme.

(c) Series 1 options, comprising 100% of total options granted, are only exercisable following 1 November 2008, at an Exercise Price of \$1.25 per Option, and will automatically lapse if they are not exercised within 2 years of this date.

During or since the end of financial year, 1,645,000 (2008: Nil options) have been granted under this scheme. During the year 97,000 have lapsed.

The market value of CSG shares closed at \$0.84 on 30 June 2009. The cost of the options have been calculated using the Black Scholes method of calculation and the key input assumptions are as follows:

Options issued in 3 series:

Volatility 35%
Risk Free rate 6.92%
Exercise multiple 1.5 times

Options issued in 1 series:

Volatility 35%
Risk Free rate 4.36% - 6.92%
Exercise multiple 1.1 times

Details of Options granted during the year:

						Share Option Valuation inputs			
	Grant Date	Granted Number	Value of option at grant date \$	Exercise price \$	Share price at grant \$	Days to expiration	Risk Free Rate	Expected Volatility	Expected Dividend
Series 1	8-Oct-08	2,150,000	\$0.002	1.00	0.80	488	4.36%	35%	7%
Series 1	8-Oct-08	1,645,000	\$0.001	1.25	0.80	488	4.36%	35%	7%

Movements in the number of options held under the Share Option Plan are as follows:

	2009	2008
Opening balance	2,500,000	1,200,000
Granted	3,795,000	3,150,000
Exercised	-	-
Lapsed	(872,000)	-
Cancelled	-	(1,850,000)
Closing balance	5,423,000	2,500,000

notes to the financial statements

30 june 2009

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	Notes	Consolidated entity		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 19: RESERVES AND RETAINED EARNINGS					
Share based payment reserve	19(a)	199	133	199	133
Retained earnings	19(b)	37,376	21,162	4,778	6,315
(a) Share-based payment reserve					
<i>(i) Nature and purpose of reserve</i>					
This reserve is used to record the value of equity benefit provided to employee and directors as part of their remunerations.					
<i>(ii) Movements in reserve</i>					
Balance at beginning of year		133	71	133	71
Share based payments	5	66	62	66	62
Balance at end of year		199	133	199	133
(b) Retained Earnings					
Balance at beginning of year		21,162	5,783	6,315	2,136
Net profit attributable to members		23,243	18,799	5,492	7,599
Total available for appropriation		44,405	24,582	11,807	9,735
Dividends paid		(7,029)	(3,420)	(7,029)	(3,420)
Balance at end of year		37,376	21,162	4,778	6,315

	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 20: CASHFLOW INFORMATION				
(a) Reconciliation of Net Profit after tax to cash flows from operations:				
Profit from ordinary activities after tax	23,243	18,799	5,492	7,599
Non cash items				
Profit on sales of assets	(49)	(30)	-	-
Amortisation of license costs	1,155	470	-	-
Depreciation and amortisation of property, plant and equipment	13,049	3,704	27	2
Share based payments	66	62	66	62
Intercompany distributions and dividends	-	-	(12,681)	(13,256)
Amounts reclassified to investing activities	1,514	-	-	-
(Increase)/decrease in assets				
Receivables	(17,119)	(5,594)	29	(293)
Prepayments	(936)	920	21	(64)
Inventories	(127)	182	-	-
Deferred tax assets	(477)	280	668	(2,132)
Other receivables	122	(117)	121	(121)
Increase/(decrease) in liabilities				
Payables	24,860	3,374	41	378
Provisions	(1,988)	87	53	49
Tax provision	(752)	1,327	(752)	2,366
Accrued expenses	-	-	503	-
Net cash inflow (outflow) from operating activities	42,561	23,464	(6,412)	(5,410)
(b) Reconciliation of cash				
Cash balance comprises:				
Cash at bank	3,756	8,289	-	274
Bank overdraft	-	-	(2,330)	-
Closing cash balance	3,756	8,289	(2,330)	274

Non cash transactions relating to business combinations are disclosed in Note 24.

notes to the financial statements

30 june 2009

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	Consolidated entity	
	2009 \$'000	2008 \$'000
NOTE 20:		
CASHFLOW INFORMATION (continued)		
(b) Credit stand-by arrangements and loan facilities		
Facilities		
Multi function facility	82,500	52,500
Bank loans and facilities	339	-
Equipment finance	-	248
	82,839	53,752
Facilities Used		
Multi function facility (i)	50,290	40,152
Bank loans and facilities	-	1,004
Equipment finance	-	248
	50,290	41,404
Facilities Unused		
Multi function facility	32,210	12,348
Bank loans and facilities	339	-
Equipment finance	-	-
	32,549	12,348

(i) This amount includes contingent liabilities used of \$10.952m in relation to various guarantees and security deposits.

The company has a multi function facility with the Commonwealth Bank. Debt facilities include bank bills, business loans, overdraft, equipment finance and contingent liabilities and are available to all members of the consolidated group including the parent.

Notes	Consolidated entity		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
NOTE 21: LEASE COMMITMENTS				
Lease expenditure commitments				
(a) Operating Leases (non-cancellable)				
<i>(i) Operating leases relate to the lease of land, buildings and office computer equipment</i>				
<i>(ii) Minimum lease payments</i>				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
No later than one year	2,942	1,848	-	26
Later than one year but not later than five years	7,210	616	-	-
Later than five years	2,521	481	-	-
	12,673	2,945	-	26
(b) Finance leases				
<i>(i) Finance leases relates to computer equipment, motor vehicles, furniture, and other office equipment. Lease terms vary from two to five years. Various lease arrangements in place have the option to purchase the assets for a nominal amount at the conclusion of the lease agreement</i>				
<i>(ii) Future minimum lease payment and present value of the net minimum lease payment</i>				
Not later than one year (iii)	3,004	4,056	-	-
Later than one year but not later than five years	388	3,772	-	-
Total minimum lease payments	3,392	7,828	-	-
Future finance charges	(150)	(428)	-	-
Present value of minimum lease payments	3,242	7,400	-	-
Included in financial statements as:	-	-	-	-
Current liability	16	218	-	-
Non current liability	16	7,182	-	-
	3,242	7,400	-	-

(iii) In the 2009 year payments are due of \$3.004m however \$2.893m of these payments can be replaced by additional group borrowings. Therefore the current is only \$111k.

notes to the financial statements

30 june 2009

NOTE 22: RELATED PARTY DISCLOSURES

(a) The consolidated financial statements include the financial statements of CSG Ltd and its controlled entities listed below:

	Country of Incorporation	Ownership Interest	
		2009 %	2008 %
Parent Entity			
CSG Limited (i)	Australia	-	-
Subsidiaries of CSG Ltd			
CSG Services Pty Ltd	Australia	100	100
CSG Services Pty Ltd ATF CSGS Unit Trust	Australia	100	100
Connected Solutions Group Pty Ltd	Australia	100	100
Flemdale Pty Ltd	Australia	100	100
CSG Communications Pty Ltd (ii)	Australia	100	100
Sunshine Coast Office Equipment Pty Ltd	Australia	100	100
CSG Solutions Pty Ltd (iii)	Australia	100	100
Haloid Pty Ltd	Australia	100	100
Seeakay Pty Ltd	Australia	100	100
Anadex Pty Ltd ATF Anadex Trust	Australia	100	100
CSG Finance Pty Ltd	Australia	100	100
Bexton Professional Pty Ltd	Australia	100	100
Change Corporation Pty Ltd	Australia	100	100
ATI Group Pty Ltd	Australia	100	-
CingleVue Pty Ltd	Australia	100	-
CSG Education Pty Ltd (iv)	Australia	100	-

(i) CSG Limited and its subsidiaries are part of a tax consolidated group

(ii) CSG Communication Pty Ltd (formerly: Xstream Pty Ltd)

(iii) CSG Solutions Pty Ltd (formerly: Power Accounting Pty Ltd)

(iv) CSG Education Pty Ltd (formerly Percipio Pty Ltd)

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(b) The following table provides the total amount of transactions that were entered into with related parties for the relevant year

	2009 \$	2008 \$
CSG Ltd		
Hire of Jet Aircraft from entity associated with Mr. Denis Mackenzie	921,750	-
Rent paid to an entity associated with Mr. Denis Mackenzie	60,000	-
CSG Services Pty Ltd		
Hire of Jet Aircraft from entity associated with Mr. Denis Mackenzie	-	659,920
Hire of Helicopter from entity associated with Mr. Denis Mackenzie	161,929	-
Rent paid to an entity associated with Mr. Denis Mackenzie	-	200,808
Connected Solutions Group Pty Ltd		
Rent paid to an entity associated with Mr Denis Mackenzie	14,833	96,000
CSG Unit Trust		
Rent paid to an entity associated with Denis Mackenzie	334,667	237,996
Sunshine Coast Office Equipment Pty Ltd		
Rent Paid to an entity associated with Mr Michael Brodie	72,000	72,000
Flemdale Pty Ltd		
Rent for artwork paid to an entity associated with Mr Michael Brodie	10,000	10,000
Loans made by CSG Ltd to controlled entities under normal terms and conditions. The aggregate amounts receivable/(payable) from controlled entities by the parent entity at the end of the reporting period were:	-	851

	Consolidated entity	
	2009 \$'000	2008 \$'000

**NOTE 23:
EARNINGS PER SHARE**

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

Net profit after income tax	23,243	18,799
	23,243	18,799

	2009 No of shares	2008 No of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	174,635,565	169,613,451
Effect of dilutive securities:		
Share Options	-	1,201,084
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	174,635,565	170,814,535

notes to the financial statements

30 june 2009

NOTE 24: BUSINESS COMBINATION

Changes in the composition of the entity during the 2009 year:

- On 1 August 2008, the company acquired 100% of the shares of ATI Group Pty Ltd.
- On 1 November 2008, the company acquired 100% of the shares of CingleVue Pty Ltd.

	ATI Group Pty Ltd \$'000	CingleVue Pty Ltd \$'000	Total \$'000
Consideration			
Cash paid under share sale agreement	2,333	1,800	4,133
Acquisition costs	273	48	321
Deferred consideration (b)	-	9,200	9,200
Total acquisition cost	2,606	11,048	13,654
Net assets acquired (g)			
Assets			
Cash and cash equivalents	878	30	908
Receivables	903	39	942
Inventory	30	-	30
Property, plant and equipment	84	4	88
Total assets acquired	1,895	73	1,968
Liabilities			
Trade and other payables	1,213	82	1,295
Borrowings	32	-	32
Provisions	1,198	-	1,198
Other liabilities	252	7	259
Total liabilities acquired	2,695	89	2,784
Net assets acquired (g)	(800)	(16)	(816)
Goodwill on acquisition (d)	3,406	11,064	14,470

On 1 November 2008, the consolidated entity purchased certain assets and assumed some liabilities forming part of Commander Australia Ltd (Administrators Appointed) (Receivers and Managers Appointed) for \$24.3m. These assets and liabilities are connected with the delivery of services under several contracts with Commonwealth Government departments. The assets include computer equipment (\$19.7m) and accounts receivable (\$8m). Liabilities include employee entitlements (\$2.6m) and certain other liabilities (\$800k) associated with the transaction.

- (a) Payments for businesses in the Cash Flow Statement of \$32.7m are made up of the cash paid under share sale agreement and acquisition costs in this note less cash in acquired entities plus payments made during the year relating to the acquisitions made in prior periods:
- (i) Anadex Pty Ltd ATF Anadex Trust: \$1.219m
 - (ii) Bexton Professional Pty Ltd: \$3.507m
 - (iii) Change Corporation Pty Ltd: \$64.54k
 - (iv) CSG Solutions Pty Ltd (formerly Power Accounting Pty Ltd): \$38.36k

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- (b) Deferred consideration of \$3.5m has been written back to goodwill on consolidation relating to the Bexton Professional Pty Ltd, Change Corporation Pty Ltd and CSG Solutions Pty Ltd acquisitions. Deferred consideration of \$2.0m, relating to payments due for the acquisition of Change Corporation Pty Ltd brings the total deferred consideration to \$11.20m as per financial statements.
- (c) The consolidated entity now includes CSG Education Pty Ltd (formerly Percipio Pty Ltd) an entity that was incorporated on 6 November 2007 and commenced trading in the 6 months to 31 December 2008.
- (d) The purchased goodwill is attributable to the high profitability of the acquired businesses and the expected synergies expected to arise post acquisition.

Acquisition costs of \$300k relating to the payment for Anadex Pty Ltd ATF Anadex Trust and CSG Solutions Pty Ltd, bring the total additional goodwill to \$14.770m as per note 14.

- (e) Profit after tax of the acquisitions included in consolidated profit of the group since the relevant acquisition dates are as follows:

	Acquisition Date	Profit/(Loss) \$'000
ATI Group Pty Ltd	1-Aug-08	939
CingleVue Pty Ltd	1-Nov-08	(15)

It is impractical to disclose the profit/(loss) associated with the contracts and assets and liabilities purchased from Commander Australia Ltd (Administrators Appointed) (Receivers and Managers Appointed) as these operations have been combined with the operations of CSG Services Pty Ltd since acquisition date.

- (f) To disclose the results of combined entities for the period as though the acquisition date for acquisitions occurred at 1 July 2008 would be impracticable as, prior to acquisition the entities were not audited and did not prepare financial reports in accordance with International Financial Reporting Standards.
- (g) The net assets acquired represent a fair value for the carrying amount at acquisition.
- (h) The details of shares issued as consideration are as follows:

Bexton Professional Pty Ltd:

- 3,715,312 ordinary shares issued to satisfy consideration of \$3,343,781.

The number of shares was calculated using the volume weighted average share price of CSG Ltd for the 20 days following the end of the financial year 2008.

CSG Solution Pty Ltd (Formerly: Power Accounting Pty Ltd):

- 1,030,928 ordinary shares issued to satisfy consideration of \$1,000,000.

The number of shares was calculated using the volume weighted average share price of CSG Ltd for the 20 days prior to issue.

Changes in the composition of the entity during the 2008 year:

- On 1 July 2007, CSG Ltd acquired 100% of the shares of Haloid Holdings Pty Ltd and Seeakay Pty Ltd.
- On 1 August 2007 CSG Ltd acquired 100% of the shares of Bexton Professional Pty Ltd.
- On 1 September 2007 CSG Ltd acquired 100% of the shares of Anadex Pty Ltd as trustee for the Anadex Trust.
- On 1 December 2007 CSG Ltd acquired 100% of the shares of Change Corporation Pty Ltd.

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notes to the financial statements

30 june 2009

NOTE 24: BUSINESS COMBINATION (continued)

	Haloid Holdings Pty Ltd	Seeakay Pty Ltd	Anadex Pty Ltd atf Anadex Trust	Bexton Professional Pty Ltd	Change Corporation Pty Ltd	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consideration						
Shares issued as consideration	-	-	-	1,500	-	1,500
Cash paid under share sale agreement	2,000	2,000	2,216	1,500	20,000	27,716
Acquisition costs	8	8	95	144	626	881
Deferred Consideration (a)	-	-	1,065	9,258	3,023	13,346
Total acquisition cost	2,008	2,008	3,376	12,402	23,649	43,443
Net assets acquired						
Assets						
Cash and Cash Equivalents	533	265	69	235	1,027	2,129
Receivables	113	186	474	849	3,087	4,709
Inventory	147	268	-	-	-	415
Property, plant and equipment	37	78	18	8	250	392
Other Assets	1	621	(13)	22	290	920
Total Assets Acquired	831	1,418	548	1,114	4,654	8,565
Liabilities						
Trade and other payables	195	261	248	278	847	1,829
Borrowings	-	-	-	161	14	175
Provisions	22	35	19	203	2,506	2,785
Other Liabilities	437	151	93	159	369	1,209
Total Liabilities Acquired	654	447	360	801	3,736	5,998
Net assets acquired	177	971	188	313	918	2,567
Goodwill on acquisition	1,831	1,037	3,188	12,089	22,731	40,876

(a) Deferred consideration of \$1.120m relating to payments due for the acquisition of CSG Solutions Pty Ltd (formally Power Accounting Pty Ltd) bring the total deferred consideration to \$14.46m as per the financial statements.

(b) Payments for businesses in the Cash Flow Statement of \$32.605m are made up of the cash paid under share sale agreement and acquisition costs in this note plus \$6.137m in payments made during the 2008 year relating to the acquisition of CSG Solutions Pty Ltd (formerly Power Accounting Pty Ltd) minus \$2.129m of cash held by the acquisitions listed above.

The purchased goodwill is attributable to the high profitability of the acquired businesses and the synergies expected to arise post acquisition.

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	Consolidated		Parent entity	
	2009 \$	2008 \$	2009 \$	2008 \$
NOTE 25: AUDITORS REMUNERATION				
Amount received or due and receivable to Pitcher Partners for:				
An audit review of the financial report entity and any other entity in the consolidated entity	313	174	313	174
Other non-audit services				
Due diligence on acquisitions and other assurance	51	118	51	118
Total	364	292	364	292

**NOTE 26:
SEGMENT INFORMATION**

The consolidated entity operates in the IT and Office infrastructure supply and services in Australia.

**NOTE 27:
SUBSEQUENT EVENTS**

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the consolidated entity.

**NOTE 28:
KEY MANAGEMENT PERSONNEL COMPENSATION**

Details of key management personnel compensation are contained within the Remuneration Report section of the Directors' Report.

**NOTE 29:
KEY MANAGEMENT EQUITY HOLDINGS**

	Balance 01/07/2008	Received as remuneration	Options exercised	Net change other - includes market transactions	Balance 30/06/2009
Directors					
Mr Philip Chambers	100,000	-	-	70,000	170,000
Mr Denis Mackenzie	50,791,495	-	-	500,000	51,291,495
Mr Michael Brodie	20,391,053	-	-	-	20,391,053
Mr Ian Kew	-	-	-	52,000	52,000
Mr Andrew Kroger	1,000,000	-	-	(1,000,000)	-
Total	72,282,548	-	-	(378,000)	71,904,548
Executives					
Mr. David Ward	200,000	-	-	-	200,000
Mr. Bruce Dinsdale	-	-	-	-	-
Mr. Brian Lee	-	-	-	-	-
Ms Julie-Ann Kerin	-	-	-	-	-
Mr. Kevin McLaine	100,000	-	-	50,000	150,000
Mr. Trevor Oliver	-	-	-	-	-
Total	300,000	-	-	50,000	350,000

directors' declaration

CSG LIMITED AND CONTROLLED ENTITIES

DIRECTORS DECLARATION

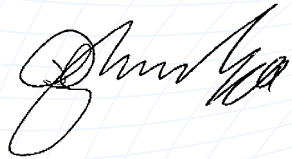
The Directors declare that the financial statements and notes set out on pages 24 to 55 in accordance with the Corporations Act 2001:

- (a) Comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2009 and of their performance as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that CSG Ltd will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2009.

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



Mr Denis Mackenzie
Director

Darwin
23 September 2009

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CSG LIMITED

We have audited the accompanying financial report of CSG Limited and controlled entities. The financial report comprises the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
CSG LIMITED**

Auditor's Opinion

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

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 21 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

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

T J BENFOLD
Partner
23 September 2009

PITCHER PARTNERS
Melbourne

shareholding analysis



As at 31 August 2009

In accordance with Listing Rule 4.10 of the Australian Stock Exchange Limited, the Directors provide the following shareholding information which was applicable as at 31 August 2009.

a. Distribution of Shareholding

Size of shareholding	Number of shareholders	%
1 – 1,000	102	7.3%
1,001 – 5,000	567	40.4%
5,001 – 10,000	270	19.2%
10,001 – 100,000	371	26.4%
100,001 and over	67	4.8%
Total	1,377	

b. Less Than Marketable Parcels

26 shareholders hold less than a marketable parcel of shares, being a market value of less than \$500.

c. Substantial Shareholders

The following are registered by the Company as substantial shareholders, having declared a relevant interest in the number of voting shares shown adjacent as at the date of giving the notice.

Companies associated with:	Number	%
Entities associated with Denis Mackenzie, namely Lynden Investments (NT) Pty Ltd, in its own capacity and in its capacity as trustee of the Mackenzie Family Trust	51,291,495	29.19
Icon Office Solutions Aust. Pty Ltd, as trustee for the Brodie Family Trust	20,391,053	11.60
Boltec Pty Ltd, in its own capacity and in its capacity as trustee of the Boller Family Trust	18,618,084	10.59
Glen Phillips, and entities associated with Glen Phillips, namely Glenmar (NT) Pty Ltd, in its own capacity and in its capacity as trustee of the Glenmar Family Trust	18,380,974	10.46
Cogent Nominees Pty Limited	11,903,709	6.77

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shareholding analysis

d. Twenty largest shareholders

The names of the twenty largest shareholders are:

Name:	Number of Share Held	% of Issued Shares
Lynden Investments NT Pty Ltd (The Mackenzie Family a/c)	47,339,748	26.94%
Icon Office Solutions Aust Pty Ltd (The Brodie Family a/c)	20,391,053	11.60%
Boltec Pty Ltd (Boller Family a/c)	15,779,915	8.98%
Glenmar NT Pty Ltd (The GM Phillips Family a/c)	15,779,915	8.98%
Cogent Nominees Pty Limited	11,903,709	6.77%
JP Morgan Nominees Australia Limited	6,127,003	3.49%
National Nominees Limited	4,299,099	2.45%
ANZ Nominees Limited (Cash Income a/c)	4,035,030	2.30%
Lynden Investments (NT) Pty Ltd	3,951,747	2.25%
Mr Blair Gowans (The Gowans Family a/c)	3,243,346	1.85%
Equity Trustees Limited (SGH PI Smaller Co's Fund)	2,950,000	1.68%
Boltec Pty Ltd	2,838,169	1.62%
Mr Glen Phillips	2,601,059	1.48%
TDM Asset Management Pty Ltd (FNL Invest STF a/c)	1,997,705	1.14%
Dottie Investments Pty Ltd	1,550,000	0.88%
Moat Investments Pty Ltd (Moat Investments a/c)	1,227,366	0.70%
UBS Nominees Pty Ltd (PB SEG a/c)	1,200,000	0.68%
JacqueBrooke Pty Ltd (Irving Family a/c)	1,164,322	0.66%
JacqueBrooke Pty Ltd (Irving Super Fund a/c)	646,033	0.37%
UBS Wealth Management Australia Nominees Pty Ltd	617,000	0.35%
Total	149,642,219	85.15%

Corporate Directory

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Company

CSG Limited
ABN 64 123 989 631
13 Cavenagh Street
Darwin, NT 0800
www.csg.com.au

Directors

Philip Chambers
Non Executive Chairman

Denis Mackenzie
Managing Director

Philip Bullock
Non Executive Director

Andrew Kroger
Non Executive Director

Ian Kew
Non Executive Director

Company Secretary

Kim Clark

Lawyers to the Company

DLA Phillips Fox
Level 21, 140 William Street
Melbourne, VIC 3000

Share Register

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, VIC 3067

Auditor

Pitcher Partners
Level 19, 15 William Street
Melbourne, VIC 3000

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