



Friday, October 24, 2003

Australian Stock Exchange Limited
Company Announcements Office
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

Please find attached Broadcast Services Australia Limited's 2003 Annual Report and Notice of Meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brett Crowley', is written over a light grey rectangular background.

Brett Crowley
Chairman

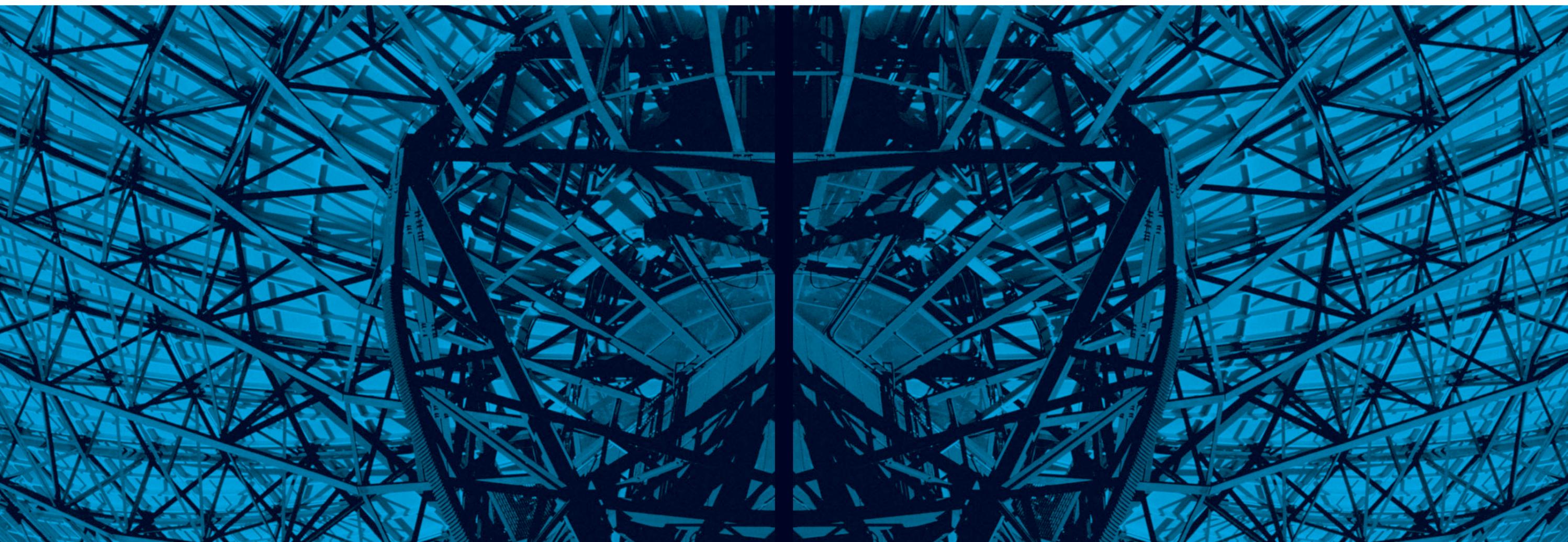


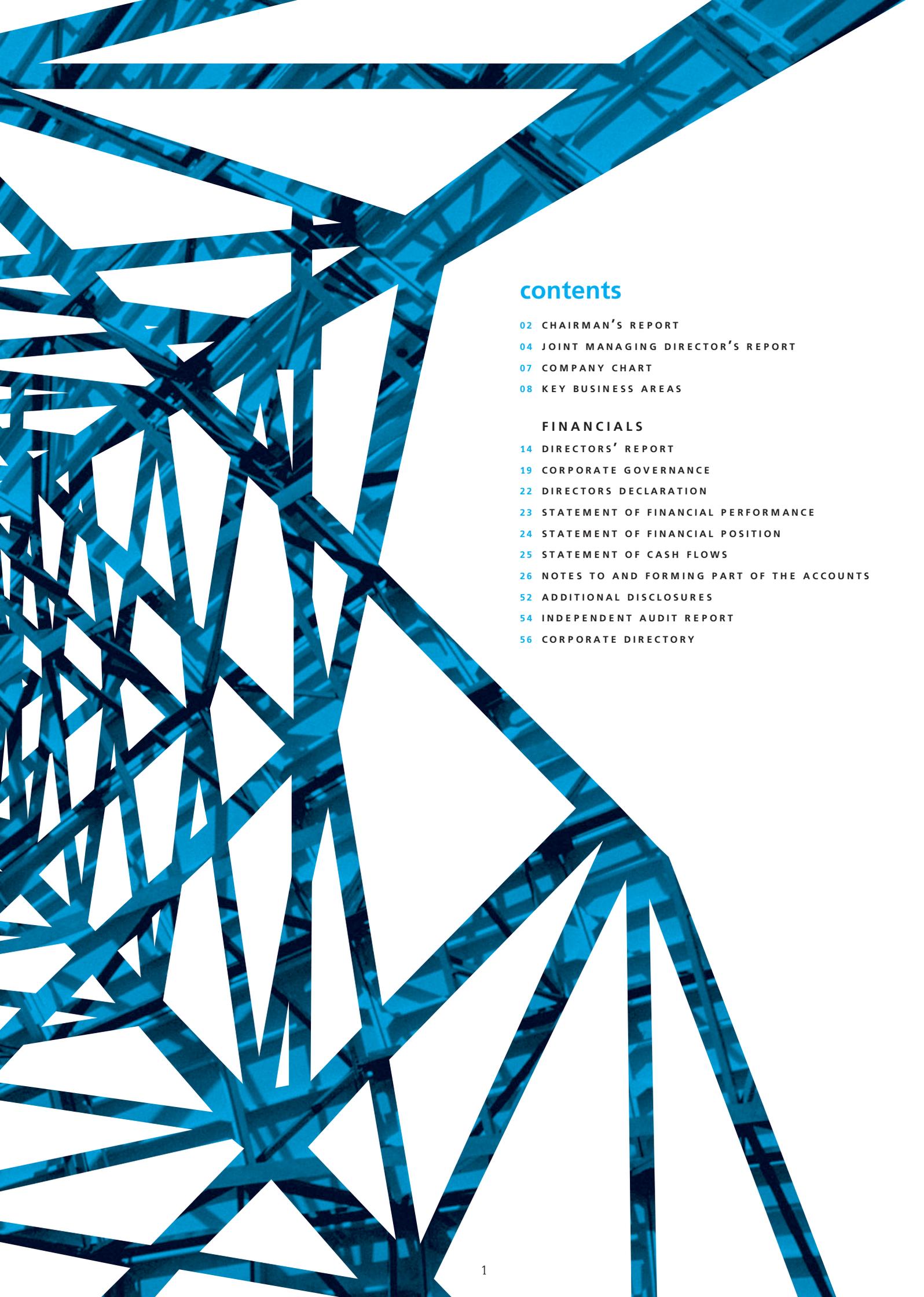
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annual report 2003



An abstract, high-contrast blue and white geometric pattern composed of overlapping, angular shapes, resembling a stylized architectural structure or a complex network. The pattern is dense and occupies the left and bottom portions of the page, with the right side being white.

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chairman's report

I am delighted on behalf of the Board to announce a strong turnaround in the results of Broadcast Services Australia Limited for the year ended 30 June 2003.

The year under review has produced a **P R O F I T**, reversing the previous two years of substantial losses. Revenue from operating activities increased 23% over the prior year to \$68.2 million with EBITDA at \$3.3 million. This improvement is expected to continue with a more substantial profit expected in the current year.

The improvement in financial performance during 2003 is the result of an intense focus on operational refinement, debt reduction, OH&S performance, renewal of key contracting agreements and development of the recently acquired broadcast transmission business.

Prior year losses had increased BSA's debt to unsatisfactory levels. The net debt has been reduced to a more manageable level. The current debt levels are expected to further reduce as a result of cash generated from operations.

BSA's volume contracting group (referred to as the 'CS' Division) has renegotiated most of its major contracts during the 2003 year and continued to grow new business. This provides a **S O L I D B A S E** over the next few years to achieve consistent revenues and profits.

The acquisition of BSA Pty Limited (referred to as the 'TS' Division) has delivered the market positioning sought by the Directors. BSA TS has captured a significant portion of the component supply, installation and construction market servicing the emerging digital TV and radio broadcast sector. The Board sees much opportunity for continued growth in this area. The earn-out based acquisition of BSA Pty Limited ensures excellent **V A L U E** at low risk to shareholders.

Given the difficult times endured by BSA in 2001 and 2002, the Board has concentrated on its corporate governance, risk management and continuous disclosure procedures. The operation of the Remuneration and Audit committees has ensured strong internal controls are in place.

The Directors and I would like to thank all of our employees and senior management for the extraordinary efforts they have afforded the Company during the year. The results of their efforts should become evident in the current year.

LOOKING FORWARD

We are confident the **M O M E N T U M** developed over this past year will continue. The Board expects that with strong increases in work and orders in hand, the year ahead will show sustained growth and increased profitability. The digital rollout across Australia for both broadcast and subscription television, together with our continued push to develop engineering excellence, should result in a strong result in 2004. A key objective of the Board is to be able to pay a maiden dividend as soon as practicable. Current results indicate that this is likely to be achieved sooner rather than later.

I thank my fellow directors for their sustained efforts over the year and thank the shareholders for their continued support.

BRETT CROWLEY
Chairman



We are confident the
positive **M O M E N T U M**
developed over this past year will continue.



joint managing director's report

The 2003 year has seen great change to Broadcast Services Australia Limited.

With the acquisition of BSA Pty Limited in December 2002 (which prompted a name change of the public company from Comet Satellite and Cable Limited to Broadcast Services Australia Limited) has come an expansion of the Company's horizons and prospects. A turnaround from the previous financial year loss of \$13.8 million to an NPAT result of \$386,000 marks a watershed year, achieved on a 23% increase in consolidated group revenue from operating activities to \$68.2 million.

This result is pleasing as it demonstrates that a great deal has been achieved over the past twelve months. Importantly, it establishes a **PLATFORM** on which the Company can continue to build a group of related profitable businesses.

One major undertaking planned for 2004 is to develop a third division of the Company – HOME SERVICES.

In the past twelve months management has focused on broadening the Company's reliance away from a narrow core capability by extending the range of services into broadcasting and telecommunication interests. This commenced with the acquisition of BSA Pty

Limited and continued by developing new services predominantly directed at telephony installations, civil works and pit repairs. This focus has resulted in a gradual **DIVERSIFICATION** of business activities thereby reducing the Company's historic reliance on subscription TV satellite installation contracting alone.

Increased activity has, however, placed greater demands on working capital.

With revenues increasing significantly, receivables have increased proportionally to the Company's growth and varied income streams. In addition, receivable days outstanding have increased due to the fact that many of the group's major installation projects are completion payments based, rather than progressive milestone payments. Notwithstanding the increase in receivables, the quality of the Company's debtors is unquestionable. A revised banking facility has been structured to address this.

Inventory levels have also risen as a direct result of the increased activity even though improved inventory systems and controls have been achieved in both divisions. The Contracting Solutions division now has stock volume precision and warehousing controls, capable of meeting the most stringent requirements set by customers. The Transmission Solutions division has had its inventory process and procedures entirely overhauled. Due to increased revenues, longer lead times, unforgiving on-air dates and systems staging requirements, the total amount of inventory has increased.

Capital expenditure is subject to stringent controls. The nature of **GROWTH** in both divisions has had different capital expenditure implications. The Contracting Solutions division required upgrading of back-office systems to cope with the ever increasing volume of work performed. More than 30,000 billable actions now occur monthly in that division. The expansion and refinement of accounting systems and IT networks has been significant. On the Transmission Solutions side, sophisticated test equipment, motor vehicles and IT have all required capital expenditure.

Cash generated from operations has been applied to reducing debt to more appropriate levels, relative to the company's current financial capacity. A number of significant debts have been paid over the period including \$1.7 million for the redemption of the convertible note which funded the Mr. Antenna acquisition in 2000.

The Company is able to satisfy its current working capital needs but is determined to reduce the relative level of debt further during 2004.

LOOKING FORWARD

One major undertaking planned for 2004 is to develop a third division of the Company – Home Services. Initially this will involve the removal of Mr. Antenna and Mr. Alarms from the Contracting Solutions division. This will establish the base for the new business stream which will then be complimented by additional products and services directed at the domestic customer. It is our intention that the division contain **FRANCHISE** only based businesses.

During 2004, further rationalisation of occupancy leases is anticipated by consolidating into a single occupancy in those cities where duplication currently exists. This rationalisation will be subject to the terms and conditions relevant to the currently existing lease arrangements and the requirements of our business divisions.

The engineering and services sector in which BSA is focused and in particular the broadcast industry, have many highly specialised and profitable companies which may fit naturally within either of the two divisional activities of the Company. With that in mind, the Directors will continue to investigate possible business **ACQUISITIONS** which may be well suited to the Company's strategy for growth. If needed, the Company will raise capital to support new projects or acquisitions, as required. While a strategic acquisition is always worthy of investigation, the focus for the Company is maturity, growth, consistency and development of core business. We believe this is occurring through better processes and business efficiencies, better training, strong management and decisive leadership which is encouraged at all levels of the organisation.

In summary, we are extremely **PROUD** of the result achieved this year and attribute much of the success to a dedicated team of senior managers and staff at all levels. We firmly believe that the key to continued success is supporting and nurturing quality individuals. We look forward to continuing the momentum.



MARK FOLEY
Joint Managing Director
Broadcast Services Australia Limited

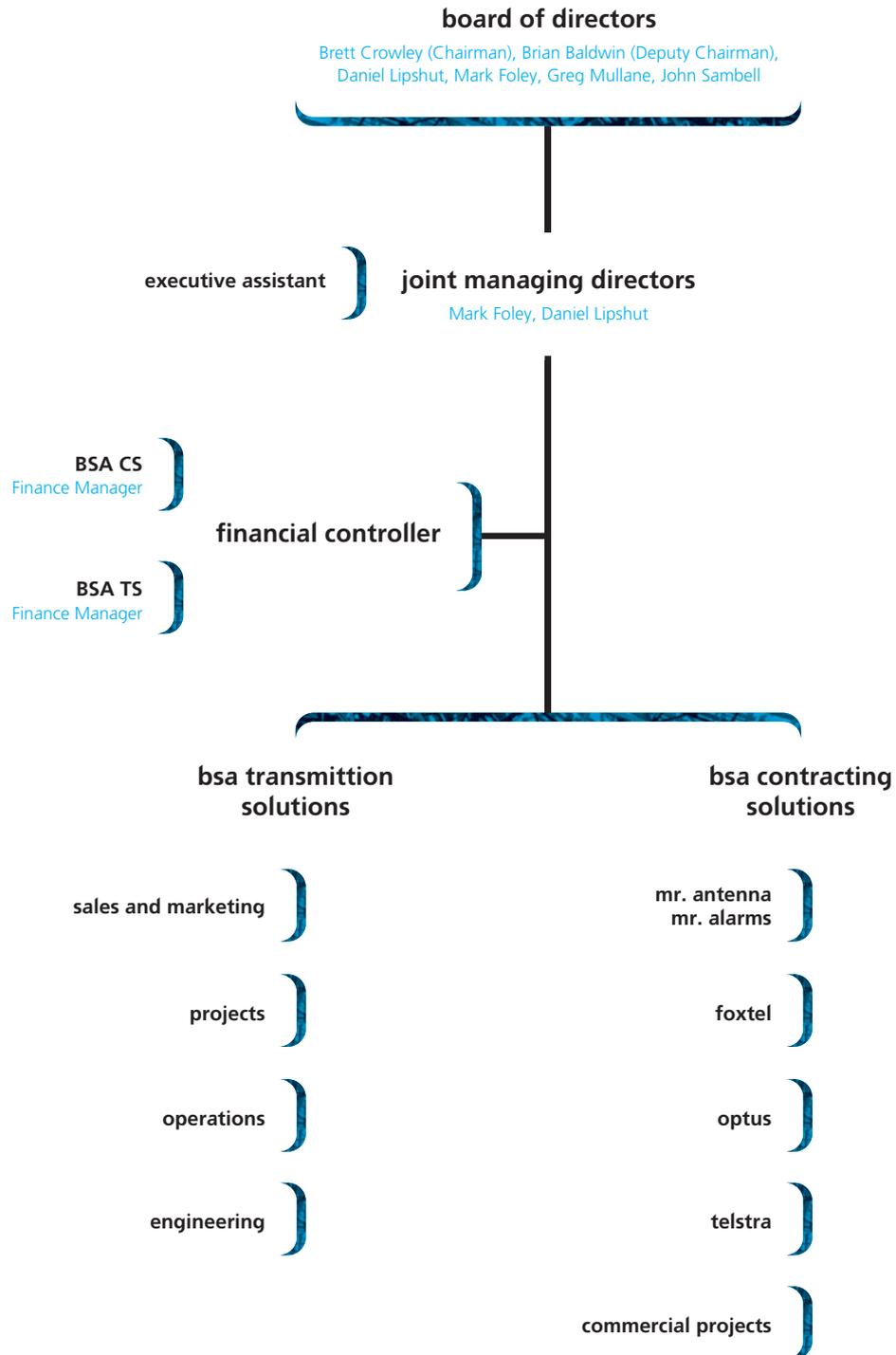
DANIEL LIPSHUT
Joint Managing Director
Broadcast Services Australia Limited



The digital rollout across Australia for both broadcast and subscription television, together with our continued push to develop engineering **EXCELLENCE**, should result in a strong result in 2004.



company chart





key business areas

THE COMPANY'S CURRENT ACTIVITIES ARE CATEGORISED INTO TWO DIVISIONS AS FOLLOWS:

BSA Contracting Solutions (BSA CS)

Revenue for this division for the year ended 30 June 2003 was \$55m.

BSA CS services high profile clients such as:

- FOXTEL;
- Optus; and
- Telstra.

BSA CS is a specialist provider of high quality, high volume, domestic and commercial installation and repair services in television transmission reception, telephony installations, civil works and pit repairs. Around 500 independent contractors around Australia perform more than 30,000 tasks per month, all under BSA CS management, logistical and administrative control. In the past twelve months this division has **SECURED** long term agreements with FOXTEL and Optus and continues to win new work with Telstra. It is confidently expected that all of these will continue to provide increased revenue.

Currently included in this division, are the activities of Mr. Antenna and Mr. Alarms, both of which are in the process of significant restructure and are already showing positive results.

CORE COMPETENCIES

- sub contractor management
- contractor training
- call centre management
- high volume accounts processing
- back office systems development (including web based) for high volume contractor management
- quality control of national contracting operations
- franchisee services and management (Mr. Antenna and Mr. Alarms)
- national purchasing, warehousing and distribution including supply chain management.



This division **POSSESSES** mature volume contracting management skills, intellectual property and resources.

FUTURE OPPORTUNITIES

This division possesses mature volume contracting management skills, intellectual property and resources. These can be used to **LEVERAGE** other volume contracting opportunities particularly in the subscription TV sector.



BSA CS by business unit

FOXTEL

BSA CS continues to perform much of FOXTEL's domestic satellite installation across Australia. A new three year agreement signed this year is a significant extension to BSA's previous arrangement with FOXTEL.

General Manager of this activity, Mr. Brendan Foley, has done an outstanding job in uniting both staff and hundreds of contractors, to meet and exceed performance levels set by FOXTEL.

Stringent management of contract labour, training, quality, work-flow and accounts, all require highly skilled management.

This business unit is predominantly involved in the installation of satellite dishes and associated hardware for the delivery of subscription TV for FOXTEL's domestic customers. In addition, the scope of work in the new agreement has been extended to include FOXTEL's digital interactive services offering to be launched in early 2004.

With FOXTEL's **ENTHUSIASM** to increase subscriber numbers through quality service and content, BSA CS is well positioned to perform much of this increase in volume. The launch of digital interactive services should significantly increase customers' interest in subscription TV. BSA's relationship with FOXTEL continues to strengthen as the companies work and communicate well together.

The FOXTEL business unit has strong back office systems integrated with FOXTEL's operations group. A call centre in Auburn NSW handles BSA's contractor job dispatch and billing. The **MATURITY** of inventory control and back office systems, along with strong contractor management are the foundation of BSA's competitive advantage in this activity.

OPTUS

BSA recently **SECURED** a new two year service agreement for the supply of installation and maintenance services for bundled telephony and subscription TV services in Queensland. BSA's relationship with Optus spans many years and continues to strengthen.

The management of contractors who perform the field installations is the key to the success of this business unit. These contractors have been well trained by BSA and can be relied upon to perform the quality of service required to meet strict performance based criteria set by Optus under the agreement.

The Optus business unit is supported by a similar back office infrastructure to the FOXTEL business unit and therefore enjoys many of the same advantages.



TELSTRA

With an ever increasing volume of work, General Manager Mr. Ray Larkin and his team, have steered this business unit to perform remarkably well under the pressure of continued **G R O W T H**. This unit is developing into a highly regarded business services group by exceeding all expectations of service delivery, KPIs and contractor management.

Again, the Company is performing quality, high volume customer installations, and various other commercial works. As with all BSA business units, highly trained technicians ensure OH&S is maintained at the highest possible standards. The variety of work this group now performs is an indication of the capabilities both management and contractors have shown. We expect this group to continue to grow throughout the 2004 financial year.

MR. ANTENNA / MR. ALARMS

Mr Antenna is a wholly owned subsidiary of Broadcast Services Australia Limited and has performed installations of television antennas in homes across the nation, for more than 10 years. Set up originally as a franchise model and then a hybrid franchise/contractor model, the company has not yet realised anywhere near its full **P O T E N T I A L**. A great deal of effort has been afforded to develop Mr Antenna into a 'franchise only' business with attention given to refining its franchise deed, which is currently being rolled out across Australia. Expectations for this business are extremely high and responses to the changes being made within the organisation have been excellent.

Mr. Vaughn Clarke who has 16 years of major national franchise experience has recently been appointed General Manager.

Our intention is to develop Mr Antenna as the cornerstone of what will become the 'Home Services' division. We expect the division will manage a number of franchised businesses under the Home Services umbrella. By entering 50,000 homes nationally, we have access to a valuable resource in the home services arena – customers. Mr Antenna has had more than \$10 million spent on branding over the years and is instantly recognisable nation wide. We feel this, together with the high quality of management and skills training developed within the organisation will secure a **G R E A T F U T U R E** for the company.

COMMERCIAL BUSINESS UNIT

The commercial business unit of BSA CS completes project works and custom requirements. These works are often specialised contracting installations which fit the Company's contract management skills base. High volume one off projects such as VSAT roll outs across Australia can be supported by the Commercial team. This more specialised team is tendering for a variety of projects and is likely to grow significantly this coming year.

BSA Transmission Solutions (BSA TS)

Revenue for this division since its acquisition on 5 December 2002 was \$13million.

BSA TS includes:

- Engineering
- Sales and Marketing
- Project delivery
- Operations

BSA TS has established itself as a major turn-key equipment and services provider to the broadcast and telecommunications industries. Having secured exclusive supply agreements with many of the worlds leading broadcast equipment manufacturers, BSA TS has invested in **SUPERIOR** engineering resources capable of installation and support. BSA TS is contracted to supply equipment and infrastructure services to all major network carriers. The division also builds tower sites and is able to maintain all aspects of broadcast installations.

Legislative commitment to digitise networks over the next few years means **THOUSANDS** of towers transmitting signals across Australia need new equipment installed, commissioned and maintained, with facilities generally to be upgraded (including some tower structures). BSA TS is one of only a few companies capable of undertaking turn-key projects incorporating the supply and installation of 'best of breed' equipment needed for the digitisation of Australia's regional broadcast networks.

CORE COMPETENCIES

- project management
- high level engineering expertise
- commercial, marketing, agency representation and engineering support of broadcast and telecommunication OEM's from around the world
- site inspection
- broadcast Greenfield site construction, site repairs and maintenance
- emergency call outs
- RF ridged line
- turn key solutions
- OEM equipment installation and commissioning (including microwave, combiner and broadcast transmitters)
- tower supply and erection
- design antenna installation and commissioning

FUTURE OPPORTUNITIES

The BSA TS division has grown continuously over the past three years and is expected to increase revenues again this year. The digitisation of Australia's TV broadcast networks provides a 5–7 year time frame in which the division's engineering expertise and OEM supply agreements can continue to **E V O L V E**. This puts BSA TS at the forefront of its identified market with significant market share. The division's aim is to be recognised within the broadcast and telecommunications industries as the highest quality 'one-stop shop' for all broadcast and telecommunications related equipment and services.



BSA TS by department:

SALES

BSA TS represents leading companies including Digital Multimedia Technologies from Italy, Harris from the USA, Teracom from Sweden, BTL from the UK and many others. These OEM's have supported BSA TS in a **PARTNERING** role to ensure customers can access timely assistance at all levels including engineering and sales support, as if the companies were located in Australia.

General Manager Darren Kirsop-Freearson has skilfully used his **COMMITMENT** to customer satisfaction to help the division achieve increased market share and outstanding growth. Continued growth is confidently expected over the next few years. Focused account management, business development and a dedication to customer service has created one of the strongest sales department in the industry.

ENGINEERING

BSA TS engineering is dedicated to the development of engineering excellence in the broadcast and telecommunications industries. Evolving as a stand alone centre of excellence, Greg Reid, General Manager Engineering, has expanded the department with quality, experienced engineers from diverse backgrounds. The department has been used by broadcasters as an extension of their own engineering teams. High quality test and measurement equipment and staging facilities have helped create an impressive resource in a relatively short period of time. Though capital intensive due to expensive equipment needed to service this specialised aspect of the broadcast industry, no company dedicated to long term business in this sector can afford anything less. The longer term goal of this department is to develop **SOPHISTICATED** centralised Operations and Maintenance capabilities to support the large volume of digital equipment currently being installed. With digital equipment at the forefront of technology, training and constant information exchange is a priority.

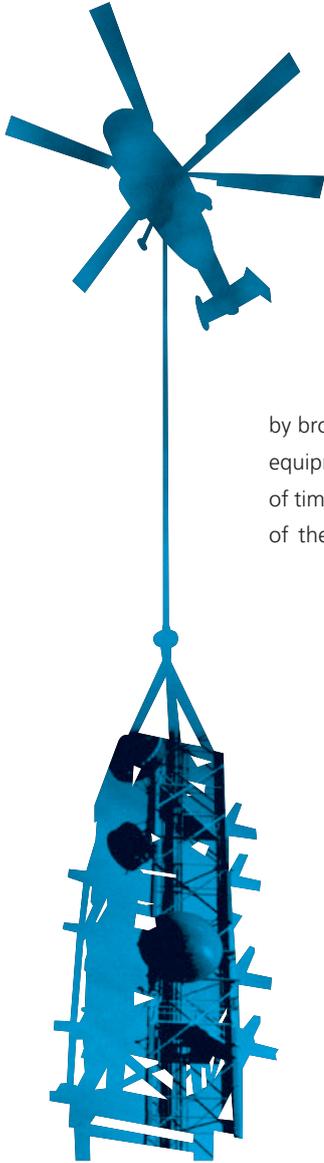
PROJECT DELIVERY

Projects of varying size and complexity are undertaken within the TS group. Building and installing transmission towers as high as 200 metres or installing water cooled high power transmitters are common place for the delivery team. Managed by David Lovell, the team has skills broad enough to hang antennas from dizzying heights to completing civil works needed to house a transmission facility 'in the back of Bourke'.

With a great deal of regional work needed to be completed for the maintenance of existing broadcast transmission sites and many new sites identified, the Project Delivery department is well placed to continue its **INCREASING** volume of works and orders on hand.

OPERATIONS

The expertise required to keep the entire TS division operational is complex and varied. Lawrie Semple as General Manager Operations was instrumental in developing the broadcast tower and rigging business which is fundamental to BSA TS. Strong logistics systems including the ability to coordinate people and equipment to often inhospitable locations across Australia, is juxtaposed with the very corporate world of contracts management and currency negotiations. The operations team has worked well to meet deadlines and **SUPERIOR** service under constant growth pressure.





financials



directors' report

The Directors of Broadcast Services Australia Limited (the 'Company') present the annual financial report of the Company for the year ended 30 June 2003.

Directors

Directors in office during the year and at the date of this report were:

BRETT CROWLEY – NON-EXECUTIVE CHAIRMAN

Brett was a partner with Ernst & Young and KPMG, both in Australia and Hong Kong. Brett is CEO of IMT Holdings Limited, an ASX listed company involved in the development and marketing of environmental technology. Brett was appointed Chairman on August 29, 2001.

BRIAN BALDWIN – NON-EXECUTIVE DEPUTY CHAIRMAN

Brian was a founding partner of bsa Pty. Ltd. and remained Chairman of the company until its acquisition by Comet Satellite & Cable Limited. He has, along with many other successful business ventures, developed one of Australia's largest privately held human resource companies. His entrepreneurial talents have been instrumental in securing relationships with many of BSA's principals and key customers.

MARK FOLEY – JOINT MANAGING DIRECTOR

Mark has over 15 years industry management experience gained within the electrical contracting business. He has established a number of successful businesses including those comprising the Delaney group in the Queensland region. Mark has a wealth of business experience in a number of facets of the satellite and cable installation business and is a Director of a number of private companies. Mark was appointed Managing Director on 25 September, 2001.

DANIEL LIPSHUT – JOINT MANAGING DIRECTOR

Daniel was Director, Corporate, BSA Pty Limited prior to its acquisition by Comet Satellite and Cable Limited. A non executive director of other companies including Intercorp and Intercorp Telecommunications for many years, he has run large projects and divisions, managing contracts and groups in various defence and telecommunications sectors. Daniel was appointed Joint Managing Director on 5 December 2002.

GREG MULLANE – NON-EXECUTIVE DIRECTOR

Greg has a background in accounting, with extensive experience as a consultant and director of several diverse companies. Greg has a unique understanding of the industry having started a business supplying and installing satellite, cable and television systems in rural and outback communities as well as for the major Television Networks.

JOHN SAMBELL – NON-EXECUTIVE DIRECTOR

John Sambell was appointed to the Board on 10 July, 2000. John has extensive experience in merchant banking and has been involved in a number of very successful private ventures in recent years. He has served on the boards of public companies and public corporations.

RUSSELL HODGE – (NON-EXECUTIVE DIRECTOR)

Resigned 5 December 2002

ROBERT HALLAS – (NON-EXECUTIVE DIRECTOR)

Resigned 30 June 2003

Meetings of Directors

The following table sets out the number of Directors' meetings held during the financial year, and the number of meetings attended by each Director (while they were a Director).

DIRECTORS' MEETINGS IN FINANCIAL YEAR TO 30 JUNE 2003

	Number Eligible to Attend	Number attended
Brett Crowley	13	13
Brian Baldwin	8	5
Mark Foley	13	13
Daniel Lipshut	8	8
Gregory Mullane	8	6
John Sambell	13	10
Robert Hallas	8	6
Russell Hodge	5	3

DIRECTORS SHAREHOLDINGS

	Interest in Shares	Interest in Options
Brett Crowley	629,642	1 million
Brian Baldwin	25,234,969	Nil
Mark Foley	13,552,679	2 million
Daniel Lipshut	Nil	Nil
Gregory Mullane	13,552,679	Nil
John Sambell	Nil	Nil
Robert Hallas	7,081,013	Nil

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were the installation of satellite and microwave communications services to the subscription TV and telecommunications services providers and supply of equipment and infrastructure services to the broadcast industry.

RESULTS

The net amount of consolidated profit of the consolidated entity for the financial year after income tax and outside equity interest was \$386,000.

DIVIDENDS

In respect of the financial year ended 30 June 2003, no dividends have been declared.

REVIEW OF OPERATIONS

A detailed review of the operations of the consolidated entity is contained in the Chairman's Review and Managing Director's and Key Business Areas Reports of this Annual Report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company was not subject to any particular or significant environmental regulations of the Commonwealth or a State or Territory during the financial year.

INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company has not undertaken Directors and Officers insurance.

CHANGES IN STATE OF AFFAIRS

The only significant change was the revised consideration payable by Broadcast Services Australia Limited for the acquisition of the Transmission Solutions division ("TS") (then known as bsa Pty Limited). The consideration was an issue of shares in BSA. TS underperformed subsequent to acquisition. Accordingly, the vendors of bsa Pty Ltd voluntarily agreed to a revised consideration payable by BSA for the acquisition.

The original agreement involved the issue of 56,648,000 shares, which were escrowed for two years, and the conditional issue of an additional 10,000,000 shares upon the achievement of certain targets. This was varied so that the number of shares to be received by the vendors of bsa Pty Limited is tied directly to the results of TS for the years ended 30 June 2004 and 2005. The revised transaction is as follows:

- If EBITDA of TS exceeds a total of \$6.6m for the years ended 30 June, 2004 and 2005, the 56 million shares will be released from escrow and the 10 million shares will be issued in accordance with the acquisition agreement.
- If EBITDA of TS exceeds a total of \$5.6m but is less than a total of \$6.6m for the years ended 30 June, 2004 and 2005, the 56 million shares will be released from escrow and 10 shares in BSA Limited will be issued to the vendors for every \$1 of EBITDA in excess of \$5.6m.
- If EBITDA of TS is less than a total of \$5.6m for the years ended 30 June, 2004 and 2005, BSA Limited will cancel 10 escrowed shares for every \$1 of EBITDA less than \$5.6m and the remaining amount of the 56 million shares will be released from escrow. None of the additional 10 million shares will be issued.

The Directors are not aware of any other significant change in the state of affairs of the Company that occurred during the financial year which has not been covered elsewhere in this Annual Report.

SIGNIFICANT EVENTS AFTER BALANCE DATE

The following significant event occurred after the balance date:

The Company announced an employee share plan, whereby all permanent employees with a minimum of 12 months continuous service are each entitled to apply for a maximum of 1,000 shares of the Company in each year at prevailing market prices.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The Board is confident the positive momentum developed over this past year will continue.

With a much higher order book this year than the corresponding time last year, the Board expects the year ahead will show sustained revenue growth together with continued operational efficiency and margin improvement. The digital rollout across Australia for broadcast and subscription television together with the Company's continued push to develop engineering excellence augurs well for a strong result in 2004.

CORPORATE GOVERNANCE

The Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period. For further details see Corporate Governance section.

DIRECTORS' AND EXECUTIVES' BENEFITS

The Company's policy for determining the nature and amount of emoluments of its board members and senior executives is in accordance with best corporate governance practices.

Details of the nature and amount of each element of the emoluments of each Director of the Company and each officer of the Company and of the consolidated entity requiring disclosure are set out below:

DIRECTORS	Appointed	Resigned	Salary	Redundancy	Allowances & Benefits	Bonus	Options	FBT	Super	Grand Total
Brett Crowley	17/10/00		50,000				42,820		4,500	97,320
Brian Baldwin	05/12/02		23,333							23,333
Mark Foley	17/10/00		170,343	20,000	33,303	85,639			19,000	328,285
Daniel Lipshut	05/12/02		47,259						4,708	51,967
Gregory Mullane	05/12/02		13,225							13,225
John Sambell	10/07/00		37,500							37,500
Russell Hodge	11/12/01	05/12/02	10,000							10,000
Robert Hallas	05/12/02	01/07/03	14,281							14,281

EXECUTIVES	Position	Salary	Redundancy	Allowances & Benefits	Bonus	FBT	Super	Grand Total
Brendan Foley	General Manager – FOXTEL Business Unit	122,155	38,554				12,257	172,966
Robert Waters	General Manager – Optus Business Unit	100,375	15,000				10,281	125,656
Philip Hunt	General Manager – Mr Alarms	85,000	15,000				9,000	109,000
Ray Larkin	General Manager – Telstra Business Unit	94,778	10,577			3,067	9,000	117,422
Gerard Dillion	WA State Manager	82,432	4,615			10,518	7,643	105,208

SHARE OPTIONS GRANTED TO DIRECTORS

Options over unissued shares of Broadcast Services Australia Limited have been granted during or since the end of the financial year to directors of the Company as part of their remuneration as follows:

- 2,000,000 options granted to Mark Foley at an exercise price of 20 cents
- 1,000,000 options granted to Brett Crowley at an exercise price of 20 cents

The options granted are exercisable between 1 October 2003 and 5 December 2005.

At the date of this report the unissued ordinary shares of Broadcast Services Australia Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
5 December 02	5 December 05	\$0.20	3,000,000

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

The Company was not a party of any such proceedings during the year.

ROUNDING OF ACCOUNTS

The Company is an entity to which ASIC class order 98/100 applies. Accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

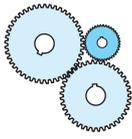
Signed in accordance with a resolution of Directors made on 29 September 2003



BRETT CROWLEY
Chairman



DANIEL LIPSHUT
Joint Managing Director



corporate governance

The Board of Directors

The Board has responsibility for driving the strategy and monitoring the performance of Broadcast Services Australia Limited (BSA) and its subsidiaries, protecting the rights and interest of shareholders, and is responsible for overall corporate governance.

THE BOARD'S RESPONSIBILITIES INCLUDE:

- Setting the strategic direction of BSA and establishing goals to ensure these strategic objectives are met;
- monitoring financial performance including approval of the annual and half-yearly financial reports and liaison with the Company's auditors;
- ensuring there are adequate internal controls and ethical standards of behaviour adopted and met within BSA;
- appointing the Joint Managing Directors, evaluating performance and ensuring appropriate policies, and procedures are in place for recruitment, training, remuneration and succession planning.
- Ensuring the significant risks facing the Company and its controlled entities have been identified and that appropriate and adequate control, monitoring and reporting mechanisms are in place.

The Directors are committed to the principles underpinning best practice in corporate governance, applied in a manner which is most suited to the consolidated entity. This is supported by an overriding organisation-wide commitment to the highest standards of legislative compliance and ethical behaviour.

Directors' outside interests, which are likely to conflict with the interests of the Company, are declared by the relevant director at the time the interest arises or the potential conflict becomes apparent. If a conflict actually arises, the director will absent himself from the meeting at which the issue is discussed and will abstain from voting on the issue.

With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfill his or her duties and responsibilities as a director.

COMPOSITION OF THE BOARD

The names of the Directors of the Company in office at the date of this statement are given in the Directors' Report contained in this Annual Report.

The composition of the Board is currently determined using the following principles:

- The Board should be comprised of a minimum of three and a maximum of ten directors and currently set at six.
- The Chairman of the Board is a non-executive Director
- The Board should have a broad range of expertise. If the need for a new director is identified, the Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

The Board currently has one non-executive chairman, three non-executive directors and two executive directors. Executive directors receive no extra remuneration for their service on the Board beyond their executive salary package.

One third of the directors, except the Joint Managing Directors, retire by rotation each year but may offer themselves for re-election for another three year period.

While the Board retains overall responsibility, it has established a number of committees to assist it in carrying out its responsibilities. Such committees include the Audit Committee and the Remuneration Committee.

CONTINUOUS DISCLOSURE PROTOCOL

The Board is aware of its obligations in respect to continuous disclosure of material information and embraces the principles of providing access to that information to the widest audience of investors.

BUYING AND SELLING OF SHARES

The Board recognises that it is the individual responsibility of each director, officer and employee to ensure that they comply with the law in relation to insider trading. The Board has developed the following Company Policy in regards to insider trading:

- Directors, officers and employees are prohibited from trading in BSA shares if they are in the possession of price sensitive information
- Directors, officers, senior executives and any employees with access to market sensitive information, are to seek approval prior to dealing in BSA securities
- Directors, officers and employees are not permitted to trade in BSA securities five months after the end of the full year accounting period or four months after the end of half year accounting period
- Directors are required to notify the ASX promptly after dealing in BSA securities
- Directors, officers and employees are prohibited in trading in BSA shares if it is for short term gain

AUDIT AND COMPLIANCE COMMITTEE

BSA's Audit and Compliance Committee comprises of the Chairman and two non-executive directors. Where considered appropriate, BSA's external auditors and BSA's management are invited to attend meetings. The Audit and Compliance committee is intended to be the focal point of communications between the Board, BSA's management and the external auditors. The main responsibilities of the Audit and Compliance Committee are to:

- Review and report to the Board on the annual report, the annual and half-year financial reports and all other financial information published by the Company or released to the market.
- Assist the Board in reviewing the effectiveness of the organisation's internal control environment covering:
 - effectiveness and efficiency of operations
 - reliability of financial reporting
 - compliance with applicable laws and regulations
- Recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, and the scope and quality of the audit.

THE MEMBERS OF THE AUDIT AND COMPLIANCE COMMITTEE DURING THE YEAR WERE:

John Sambell (Chairman)

Brett Crowley

Greg Mullane

The Committee meets as required.

REMUNERATION COMMITTEE

BSA's Remuneration Committee comprises the Chairman and three non-executive directors. The Remuneration Committee is responsible for reviewing and making recommendations to the Board regarding the compensation arrangements for the Directors and the senior management of BSA (including incentive option plans and other benefits plan, if any) and service contracts. It is also responsible for considering general remuneration policies and practices, recruitment and termination policies and superannuation requirements.

The level of non-executive directors' fees is to be reviewed annually by the Board following the review by the Chairman and the Joint Managing Directors and will take into consideration additional time required for involvement in various committees.

THE MEMBERS OF THE REMUNERATION COMMITTEE DURING THE YEAR WERE:

Brian Baldwin (Chairman)

Brett Crowley

Greg Mullane

John Sambell

The Committee meets as required.





directors' declaration

THE DIRECTORS OF THE COMPANY DECLARE THAT:

1. the financial statements and notes, are in accordance with the Corporations Act 2001:
 - a) comply with accounting standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position as at 30 June 2003 of the performance for the year ended on that date of the company and economic entity.
2. in the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

DANIEL LIPSHUT
Joint Managing Director
29 September 2003



statement of financial performance

FOR THE YEAR ENDED 30 JUNE 2003

BROADCAST SERVICES AUSTRALIA LIMITED (Formerly Comet Satellite and Cable Limited) ACN: 088 412 748

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Revenue from ordinary activities	2	68,507	56,286	39,591	31,252
Cost of Sales		(49,643)	(37,569)	(30,843)	(22,315)
Employee benefits expense		(9,377)	(8,972)	(4,616)	(4,890)
Depreciation and amortisation expenses	3(a) & (b)	(1,809)	(16,551)	(1,112)	(1,137)
Borrowing cost expenses	3(a)	(484)	(837)	(344)	(377)
Other expenses from ordinary activities		(6,190)	(5,642)	(3,219)	(15,344)
Profit/(loss) from ordinary activities before income tax expense		1,004	(13,285)	(543)	(12,811)
Income tax expense	4	(565)	(518)	78	32
Net profit/(loss)		439	(13,803)	(464)	(12,779)
Net profit/(loss) attributable to outside equity interest		(53)	(2)	–	–
Net profit/(loss) attributable to members		386	(13,805)	(464)	(12,779)
Total changes in equity other than those resulting from transactions with owners as owners	26	386	(13,805)	(464)	(12,779)
Basic earnings per share	8	0.32 cents	(18.1) cents		
Diluted earnings per share	8	0.32 cents	(18.1) cents		



statement of financial position

FOR THE YEAR ENDED 30 JUNE 2003

BROADCAST SERVICES AUSTRALIA LIMITED (Formerly Comet Satellite and Cable Limited) ACN: 088 412 748

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
CURRENT ASSETS					
Cash assets	9	1,341	49	2	1
Receivables	11	14,813	6,016	8,651	3,925
Inventories	12	2,783	1,806	635	863
Other assets	18	290	191	142	84
Total Current Assets		19,227	8,062	9,430	4,873
NON-CURRENT ASSETS					
Other financial assets	13	–	–	22,504	12,590
Property, plant & equipment	15	2,700	2,368	1,146	1,749
Tax assets	16	346	159	188	115
Intangible assets	17	21,930	12,580	2,215	2,438
Other assets	18	–	150	–	–
Total Non-Current Assets		24,976	15,257	26,053	16,892
TOTAL ASSETS		44,203	23,319	35,483	21,765
CURRENT LIABILITIES					
Payables	19	13,402	6,570	10,413	9,368
Interest-bearing liabilities	20	5,294	3,622	5,081	1,444
Tax liabilities	21	1,411	2,288	148	1,292
Provisions	22	756	319	338	182
Total Current Liabilities		20,863	12,799	15,980	12,286
NON-CURRENT LIABILITIES					
Payables	19	289	67	149	–
Interest-bearing liabilities	20	2,023	95	–	85
Tax liabilities	21	11	30	8	15
Total Non-Current Liabilities		2,323	192	157	100
TOTAL LIABILITIES		23,186	12,991	16,137	12,386
NET ASSETS		21,017	10,328	19,346	9,379
EQUITY					
Contributed equity	23	46,577	36,146	46,577	36,146
Retained profits	24	(25,668)	(26,054)	(27,231)	(26,767)
Total parent entity interest		20,909	10,092	19,346	9,379
Outside equity interest	25	108	236	–	–
TOTAL EQUITY	26	21,017	10,328	19,346	9,379

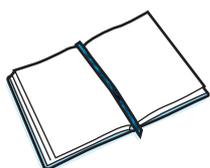


statement of cashflows

FOR THE YEAR ENDED 30 JUNE 2003

BROADCAST SERVICES AUSTRALIA LIMITED (Formerly Comet Satellite and Cable Limited) ACN: 088 412 748

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers		59,688	60,483	36,749	33,048
Payments to suppliers and employees		(55,369)	(53,071)	(38,374)	(27,512)
Interest and other costs of finance paid	3 (a)	(484)	(837)	(344)	(377)
GST Paid		(1,830)	(971)	(554)	(593)
Income tax paid		(1,326)	(324)	(1,145)	–
Net Cash provided by (used in) operating activities	10 (b)	679	5,280	(3,668)	4,566
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds – sale of property, plant and equipment		274	617	234	330
Payment for property, plant and equipment		(1,684)	(274)	(293)	(172)
Loans repaid by related parties		–	615	–	615
Cash acquired on acquisition of subsidiary and due diligence costs paid		25	–	(232)	–
Net cash provided by (used in) investing activities		(1,385)	958	(291)	773
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issue of shares		–	670	–	670
Proceeds from borrowings from related party		1,000	–	1,000	–
Repayment of borrowings		–	(4,381)	–	(4,282)
Dividends paid by controlled entity to outside equity interest		–	(29)	–	–
Payment to Related Party		(1,705)	(2,114)	–	–
Net cash provided by (used in) financing activities		(705)	(5,854)	1,000	(3,612)
Net increase (decrease) in cash		(1,411)	384	(2,959)	1,727
Cash at the beginning of the financial period		(1,402)	(1,786)	(1,120)	(2,847)
Cash at the end of the financial period	10 (a)	(2,813)	(1,402)	(4,079)	(1,120)



notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2003

BROADCAST SERVICES AUSTRALIA LIMITED (Formerly Comet Satellite and Cable Limited) ACN: 088 412 748

Note 1: Statement of Accounting Policies

The financial report is a general purpose financial report and has been prepared in accordance with the requirements of Australian Accounting Standards, Urgent Issues Group Consensus Views, authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. The concept of accrual accounting has been adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the controlled entity in the preparation of the financial report.

(a) PRINCIPLES OF CONSOLIDATION

The consolidated accounts comprise the accounts of Broadcast Services Australia Limited and all of its controlled entities. A controlled entity is any entity controlled by Broadcast Services Australia Limited. Control exists where Broadcast Services Australia Limited has the ability to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Broadcast Services Australia Limited to achieve the objectives of Broadcast Services Australia Limited. A list of controlled entities is contained within Note 14 to the accounts.

All inter-company balances and transactions between entities in the consolidated entity including any unrealised profits or losses have been eliminated on consolidation. Outside equity interests in the results and the equity of controlled entities are shown separately in the consolidated Statement of Financial Performance and Statement of Financial Position respectively.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(b) REVENUE RECOGNITION

Revenue from the sale of goods is recognised upon delivery of the service to the customers.

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. Dividends received from associates are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

(c) INCOME TAX

The consolidated entity adopts the liability method of tax effect accounting whereby the income tax expense shown in the Statement of Financial Performance is based on the operating profit before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit before income tax and taxable income are brought to account either as a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefits.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The economic entity is currently in the process of evaluating the effects of the recently introduced Tax Consolidation Legislation on the tax affairs of the group. As at the reporting date no formal decision has been made by the economic entity about whether it would or would not enter into Tax Consolidation.

(d) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions during the period are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable at balance date are converted at the rates of exchange ruling at that date. The gains or losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in operating profit before income tax as they arise.

The assets and liabilities of the foreign controlled entities which are self sustaining are translated at year-end rates and operating results are translated at the rates ruling at the end of each month. Gains and losses arising on transactions are taken directly to the foreign currency translation reserve.

(e) ACQUISITION OF ASSETS

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken as at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the date of acquisition. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

(f) RECEIVABLES

Trade debtors are recognised when the risks and rewards of ownership of the underlying sales transactions have passed to customers. This event usually occurs on delivery of inventories to customers. Trade debtors are recorded at nominal amounts. Credit terms are 30 days. Collectability of overdue accounts is assessed on an ongoing basis. Specific provision is made for all doubtful accounts.

(g) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(h) RECOVERABLE AMOUNT OF NON-CURRENT ASSETS

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from these assets. The recoverable amounts are assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

(i) DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their estimated useful lives to the consolidated entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired term of the lease or the estimated useful life of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	10 – 33%
Leased Plant & Equipment	18 – 22%
Leasehold Improvements	7 – 33%

(j) LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight line basis over their estimated useful lives, where it is likely that the consolidated entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(k) INTANGIBLES

Goodwill

Where an entity or operation is acquired, the identifiable net assets are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over 20 years, being the period the benefits are expected to arise.

The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable is written off.

Trademarks

Trademarks comprise 100% ownership of the trademark for The Antenna Man.

(l) TRADE AND OTHER CREDITORS

These amounts represent unpaid liabilities for goods received by and services provided to the consolidated entity prior to the end of the financial year. The amounts are unsecured and are normally settled within 60 days.

(m) INVESTMENTS

Investments are brought into account at cost. The carrying amount of investments are reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed having regard to the underlying net assets in the particular companies. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(n) INTEREST-BEARING LIABILITIES

Loans and debentures are carried at their principal amounts which represent the present value of future cash flows associated with the servicing of the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

The net proceeds received on issue of convertible notes are recognised in the Statement of Financial Position. On conversion, ordinary shares issued are recognised at the aggregate of the carrying amounts of the notes, together with any amounts received on conversion.

(o) EMPLOYEE BENEFITS

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to balance date. These benefits include wages and salaries, annual leave and long service leave. Sick leave is non-vesting and has not been provided for. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The contributions made to superannuation funds by entities within the consolidated entity are charged against profits when due.

(p) EQUITY-BASED COMPENSATION BENEFITS

Equity-based compensation benefits are provided to employees on a discretionary basis. Information in relation thereto is set out in Note 22: Employee Benefits.

No accounting entries are made until options are exercised, at which time the amounts receivable from employees are recognised in the statement of financial position as Share Capital. The amounts disclosed for remuneration of directors and executives in Note 6 includes the assessed fair values of options at the date they were granted.

(q) CASH

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, deposits at call and money market investments which are readily convertible into cash.

(r) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(s) ROUNDING OF AMOUNTS

The consolidated entity and the parent entity have applied the relief available under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

(t) COMPARATIVE INFORMATION

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

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

Note	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Note 2: Revenue				
REVENUE FROM OPERATING ACTIVITIES:				
Sales Revenue	68,233	55,514	39,357	30,912
Other	–	157	–	10
	68,233	55,671	39,357	30,922
REVENUE FROM NON-OPERATING ACTIVITIES:				
Proceeds on disposal of non-current assets	274	615	234	330
TOTAL REVENUE	68,507	56,286	39,591	31,252

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 3: Profit from Ordinary Activities					
(a) CHARGING AS AN EXPENSE					
Cost of sales		49,643	37,569	30,843	22,315
Interest paid/payable to:					
– director-related entities		40	224	–	–
Other borrowing costs		444	613	344	377
Total borrowing costs		484	837	344	377
Depreciation of non-current assets					
– property, plant and equipment		865	935	595	768
Total depreciation		865	935	595	768
Amortisation of non-current assets					
– capitalised leased assets		137	114	62	89
– goodwill		455	1,581	455	280
– goodwill on consolidation		352	–	–	–
Total amortisation		944	1,695	517	369
		1,809	2,630	1,112	1,137
Other provisions					
– employee entitlements		599	511	341	260
Total other provisions		599	511	341	260
Net bad and doubtful debts expense	5	351	359	150	189
Net loss on disposal of assets:					
– property, plant and equipment		78	27	5	51
Operating loss on disposal of subsidiary		148	–	–	–
Rental expense on operating leases		668	687	398	392
(b) INDIVIDUALLY SIGNIFICANT ITEMS					
Write off of goodwill as future benefits are considered to be no longer recoverable		–	13,921	–	–
Write off investment in subsidiary		(249)	–	–	–
Write off loan owing by subsidiary		–	–	(91)	–
Write Back of Provision for losses relating to the UK investment		–	(250)	–	(250)
Write Down in Investments		–	–	–	13,000
		(249)	13,671	(91)	12,750

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

Note	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Note 4: Income Tax				
The prima facie tax payable on the operating profit /loss is reconciled to the income tax provided for in the accounts as follows:				
Prima facie tax payable on operating profit/loss before income tax calculated @ 30% (2002: 30%)	301	(3,986)	(163)	(3,843)
Tax effect of permanent differences:				
Add:				
– provision for doubtful debt – wholly owned group	–	–	–	(98)
– amortisation of goodwill	242	4,578	137	84
– write down of investment in subsidiaries	–	–	–	3,900
– other non deductible expenses	22	(75)	(53)	(75)
Income tax expense attributable to operating profit before income tax	565	518	(78)	(32)

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Note 5: Net Bad and Doubtful Debts Expense / Recovered				
Bad debts written off to Statement of Financial Performance:				
– trade debtors	98	309	89	141
Transfer to Provision for Doubtful Debts:				
– trade debtors	268	50	68	48
Bad debts recovered	(15)		(7)	
Net bad and doubtful debts expense	351	359	150	189

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000

Note 8: Earnings Per Share

Reconciliation of earnings used in calculating earnings per share

BASIC EARNINGS PER SHARE

Net profit/(loss)	386	(13,805)		
Earnings used in calculating basic earnings per share	386	(13,805)		
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	121,998,392	76,300,089		
Basic earnings per share (cents per share)	0.32	(18.1)		

DILUTED EARNINGS PER SHARE

Net profit/(loss)	386	(13,805)		
Earnings used in calculating diluted earnings per share	386	(13,805)		
Weighted average number of ordinary shares outstanding during the year used in the calculation of dilutive earnings per share	121,998,392	76,300,089		
Diluted Earnings Per Share (cents per share)	0.32	(18.1)		

During the reporting period, there were no potential ordinary shares on issue whereby the average market price for the reporting period exceeded the exercise price such that potential ordinary shares were to be assumed to be issued for no consideration (that is, the options were "out-of-the-money"). As such, there is no dilutive effect on the Basic Earnings Per Share.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000

Note 9: Cash Assets

Cash on hand	3	2	2	1
Cash deposits with banks	1,338	47	–	–
	1,341	49	2	1

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 10: Reconciliation of Cash					
(a) Cash at the end of the financial period as shown in the Statement of Cash flows is reconciled to the related items in the Statement of Financial Position as follows:					
Cash on hand		3	2	2	1
Cash deposits with banks		1,338	47	–	–
Bank Overdrafts	20	(4,154)	(1,451)	(4,081)	(1,121)
Balance per Statement of Cash flows		(2,813)	(1,402)	(4,079)	(1,120)
(b) Reconciliation of cash flow from operations with operating profit/(loss) after income tax					
Operating profit/(loss) after Income Tax		386	(13,803)	(464)	(12,779)
Cash flows in operating result attributable to non operating activities					
Non-cash flows in operating profit					
Amortisation of leased assets		137	114	62	89
Amortisation		807	15,502	455	280
Depreciation		865	935	595	768
Write Down of Investments		–	–	–	13,000
(Profits)/losses on sale of property, plant and equipment		78	27	5	51
Increase/(decrease) in tax payable		(877)	88	(1,144)	(55)
(Increase)/decrease in FITB		(187)	81	(73)	52
Increase/(decrease) in DITL		(19)	(29)	(7)	(29)
Changes in assets and liabilities					
(Increase)/decrease in trade debtors		(7,425)	5,019	(2,809)	2,414
(Increase)/decrease in prepayments		(99)	53	(59)	98
(Increase)/decrease in inventories		(977)	1,085	228	203
(Increase)/decrease in other receivables		(1,373)	107	(1,917)	78
Increase/(decrease) in provisions		2,409	(861)	305	(880)
Increase/(decrease) in trade creditors and accruals		6,954	(3,038)	1,155	1,276
Cash Flows from operations		679	5,280	(3,668)	4,566

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Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 10: Reconciliation of Cash continued...					
(c) Acquisition of entity					
During the year the 100% of the controlled entity BSA Pty Limited was acquired. Details of the transaction are:					
Purchase price		9,913	-	-	-
Cash held at acquisition		292	-	-	-
Cash outflow/inflow		292	-	-	-
Other assets and liabilities held at acquisition date:					
Receivables		6,801	-	-	-
Inventories		1,091	-	-	-
Property, plant & equipment		1,124	-	-	-
Prepayments		6	-	-	-
Other assets		810	-	-	-
Creditors and borrowings		(8,203)	-	-	-
Provisions		(748)	-	-	-
Other liabilities		(625)	-	-	-
		256	-	-	-
Goodwill on consolidation		9,657	-	-	-
		9,913	-	-	-
(d) Disposal of entity					
During the year the controlled entity Strongline Communications Ltd was disposed of. Aggregate details of this transaction are:					
Disposal price		-	-	-	-
Cash consideration		-	-	-	-
Cash held at disposal date		28	-	-	-
Cash outflow/inflow		28	-	-	-
Other assets and liabilities held at disposal date:					
Cash		28	-	-	-
Receivables		130	-	-	-
Inventories		110	-	-	-
Property, plant & equipment		60	-	-	-
Intangibles		322	-	-	-
Goodwill		115	-	-	-
Creditors and borrowings		(350)	-	-	-
		415	-	-	-
Loss on disposal		(249)	-	-	-
Outside equity interests in disposals		(166)	-	-	-
		-	-	-	-

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Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

Note	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000

Note 10: Reconciliation of Cash continued...

(e) Non-cash financing and investing activities

Share Issue

Broadcast Services Australia Limited issued 70,810,133 fully paid shares at 14.0 cents to the vendors of BSA Pty Limited

(f) Credit standby arrangements with banks

Credit facility	5,000	3,000	3,000	3,000
Amount utilised	(4,806)	(827)	(3,056)	(827)
Unused credit facility	194	2,173	(56)	2,173

The major facilities are summarised as follows:

Bank overdraft facilities are arranged with the National Australia Bank with the general terms and conditions being set and agreed annually. Interest rates are variable and subject to adjustment.

Commercial Bills facilities have been arranged with the National Australia Bank with the general terms and conditions being set and agreed annually. The Commercial Bills facility has been secured with a first registered mortgage debentures over the assets and undertakings of BSA Pty Limited. A guarantee and indemnity has been given by each former director of BSA Pty Limited.

The above facilities have been replaced on 8 September 2003 with a Debtor Finance Facility with the National Australia Bank which will allow a maximum \$10 million credit facility.

Note	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000

Note 11: Receivables

CURRENT

Trade debtors	13,694	6,418	6,801	4,193
Provision for doubtful debts	(291)	(440)	(174)	(375)
	13,403	5,978	6,627	3,818
Other debtors	1,410	38	33	16
Amounts receivable from:				
– wholly owned group	–	–	6,403	4,412
– provision for doubtful debts – wholly owned group	–	–	(4,412)	(4,412)
– other related parties	–	–	–	91
	–	–	1,991	91
Total Current Receivables	14,813	6,016	8,651	3,925

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 12: Inventories					
CURRENT					
Raw materials and stores at cost		1,233	1,211	559	729
Work in progress at cost		526	152	76	134
Finished goods at cost		1,024	443	–	–
		2,783	1,806	635	863

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000

Note 13: Other Financial Assets

NON-CURRENT

Investments Comprise:

Shares in subsidiaries at cost – unlisted	14	–	–	22,504	12,590
---	----	---	---	--------	--------

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING	
			2003	2002
			%	%

Note 14: Investment in Subsidiaries

(a) ACQUISITION OF SUBSIDIARIES:

Comet Satellite & Cable (NQ) Pty Ltd	Australia	Ordinary	100%	100%
Digital TV Installations Pty Ltd	Australia	Ordinary	100%	100%
Satellite Receiving Systems (QLD) Pty Ltd	Australia	Ordinary	100%	100%
Rubyard Pty Ltd	Australia	Ordinary	100%	100%
Evcom Australia Pty Ltd	Australia	Ordinary	100%	100%
NoTron 329 Pty Limited	Australia	Ordinary	51%	51%
Strongline Communications Limited	New Zealand	Ordinary	0%	60%
BSA Pty Limited	Australia	Ordinary	100%	0%

(b) CONTROLLED ENTITY ACQUIRED

On 6 December 2002 the parent entity acquired 100% of bsa Pty Limited with Broadcast Services Australia Limited entitled to all profits earned from 6 December 2002 for a purchase consideration of \$9,913,418.

(c) CONTROLLED ENTITY DISPOSED OF

On 31 October 2002 a subsidiary of the parent entity disposed of its 60% interest in Strongline Communications Ltd. An operating loss of \$147,512 after income tax was attributable to the members of the parent entity from the disposal. No remaining interest in the entity was held by any member of the economic entity.

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

Note	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Note 15: Property, Plant and Equipment				
BUILDINGS				
Leasehold improvements				
At cost	633	500	459	473
Less accumulated amortisation	(196)	(127)	(176)	(126)
	437	373	283	347
PLANT AND EQUIPMENT				
At cost	4,408	3,559	2,679	2,427
Less accumulated depreciation	(2,885)	(2,019)	(1,963)	(1,415)
	1,523	1,540	716	1,012
Hire purchase assets				
At Cost	354	374	167	374
Less accumulated amortisation	(35)	(194)	(20)	(194)
	319	180	147	180
Total Owned Plant and Equipment	1,842	1,720	863	1,192
Capitalised Leased Plant and Equipment				
At cost	541	630	–	487
Less accumulated amortisation	(120)	(355)	–	(277)
	421	275	–	210
Total Plant and Equipment	2,263	1,995	863	1,402
Total Property, Plant and Equipment	2,700	2,368	1,146	1,749

(a) RECONCILIATIONS

Reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current and previous financial year are set out below:

Total leasehold improvements				
Carrying amount at start of year	373	402	347	402
Additions	147	28	–	2
Disposals	(14)	–	(14)	–
Depreciation/amortisation	(69)	(57)	(50)	(57)
Carrying amount at end of year	437	373	283	347

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Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 15: Property, Plant and Equipment continued...					
Total Owned Plant and Equipment					
Carrying amount at start of year		1,720	3,006	1,192	2,085
Additions		400	250	293	169
Disposals		(106)	(596)	(77)	(350)
Acquisitions through acquisitions of entities or operations		623	–	–	–
Depreciation/amortisation		(795)	(940)	(545)	(712)
Carrying amount at end of year		1,842	1,720	863	1,192
Total Leased Plant & Equipment					
Carrying amount at start of year		275	379	210	332
Additions		13	58	–	–
Disposals		(232)	(48)	(148)	(33)
Acquisitions through acquisitions of entities or operations		501	–	–	–
Depreciation/amortisation		(136)	(114)	(62)	(89)
Carrying amount at end of year		421	275	–	210

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 16: Tax Assets					
NON-CURRENT					
Future Income Tax Benefit	(a)	346	159	188	115
(a) The future income tax benefits is made up of the following estimated tax benefits:					
– timing differences		346	159	188	115
		346	159	188	115

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 17: Intangible Assets					
Goodwill at cost		9,377	9,145	9,377	9,145
Goodwill on Consolidation		41,358	31,156	–	–
Less accumulated amortisation		(28,935)	(27,851)	(7,162)	(6,707)
		21,800	12,450	2,215	2,438
Patents/trademarks/licences at cost		130	130	–	–
		21,930	12,580	2,215	2,438

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 18: Other Assets					
CURRENT					
Prepayments		290	191	142	84
NON-CURRENT					
Other non-current assets		–	150	–	–

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 19: Payables					
CURRENT					
Unsecured liabilities:					
Trade creditors		7,398	4,605	1,526	3,308
Other creditors		6,004	1,965	3,475	1,249
Amounts Payable to wholly owned subsidiaries		–	–	5,412	4,811
		13,402	6,570	10,413	9,368
NON-CURRENT					
Other creditors		289	67	149	–

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 20: Interest-Bearing Liabilities					
CURRENT					
Unsecured liabilities:					
– director-related parties		–	65	–	–
		–	65	–	–
Secured liabilities:					
Bank overdrafts	10	4,154	1,451	4,081	1,121
Hire purchase creditors	28	–	106	–	106
Lease liabilities	28	140	295	–	217
Amounts owing to:					
– director-related parties		1,000	1,705	1,000	–
		5,294	3,557	5,081	1,444
		5,294	3,622	5,081	1,444

NON-CURRENT

Secured liabilities:					
Hire purchase creditors	28	–	85	–	85
Bank loans	27	1,750	–	–	–
Lease liabilities	28	273	10	–	–
		2,023	95	–	85

- (a) The bank overdrafts of the parent entity and subsidiaries are secured by Fixed and Floating charges registered by mortgage debenture over assets and undertakings of the parent entity and its subsidiaries along with interlocking guarantees and indemnities for \$4,922,107 between the parent entity and its subsidiaries (not including BSA Pty Limited – refer Note (c) below).
- (b) The amount owing to Director-related parties by the parent is part of a Loan Commitment granted by a Director to be applied to the day to day operations of the business.
- (c) The bank loans owing by a subsidiary of the parent are secured with a first registered mortgage debentures over the assets and undertakings of BSA Pty Limited.

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 21: Tax Liabilities					
CURRENT					
Income Tax		1,411	2,288	148	1,292
NON-CURRENT					
Deferred Income Tax		11	30	8	15

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000

Note 22: Provisions

CURRENT

Employee benefits	(a)	756	319	338	182
-------------------	-----	-----	-----	-----	-----

(a) EMPLOYEE BENEFITS

Employee benefit and related on-costs liability		756	319	338	182
--	--	-----	-----	-----	-----

Employee Numbers

Number of employees at the end of the financial year		198	140	82	62
Average number of employees during the financial year/period		169	174	74	79

Equity Based Compensation

Options

Options are granted to directors and employees on a discretionary basis for no consideration.

Options carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

The exercise price of the options is determined by the Board having regard to the share price at the time of the issue.

Set out below are summaries of options granted:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year No.	Issued during the year No.	Exercised during the year No.	Lapsed during the year No.	Balance at the end of the year No.
Economic and parent entity – 2003	5/12/2003	\$0.20	–	3,000,000.00	–	–	3,000,000.00

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	Number	Number	Number	Number

Options exercised during the financial year and number of shares issued to employees on the exercise of options:	–	–	–	–
--	---	---	---	---

The fair value of the shares issued on the exercise of options is the weighted average price at which the company's shares were traded on the Australian Stock Exchange on the day prior to the exercise of the options.	–	–	–	–
--	---	---	---	---

Options vested at the reporting date	–	–	–	–
--------------------------------------	---	---	---	---

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000

Aggregate proceeds received from employees on the exercise of options and recognised as issued capital	–	–	–	–
--	---	---	---	---

Fair value of shares issued to employees on the exercise of options as at their issue date	–	–	–	–
--	---	---	---	---

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	PARENT ENTITY		PARENT ENTITY	
		Number of Shares	Number of Shares	2003	2002
		2 003	2002	\$'000	\$'000

Note 23: Contributed Equity

(a) SHARE CAPITAL

Ordinary shares

Fully paid – issued	(b)	153,478,143	80,810,133	46,105	36,146
Fully paid – to be issued		6,437,500	–	472	–
		159,915,643	80,810,133	46,577	36,146

(b) MOVEMENTS IN ORDINARY SHARE CAPITAL

Details	Date	Number of shares	Issue price	\$'000
Opening balance	01/07/02	80,810,133		36,146
Conversion of Debt to Equity	19/09/02	1,857,877	2.5 cents	45
Shares issued to vendors of BSA Pty Ltd	06/12/02	70,810,133	14.0 cents	9,914
Total issued shares		153,478,143		46,105
Shares to be issued in respect of conversion of debt to equity	–	6,437,500	7.3 cents	472
Closing balance	30/06/03	159,915,643		46,577

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000

Note 24: Retained Profits

(ACCUMULATED LOSSES)

(Accumulated losses) at the beginning of the financial year	(26,054)	(12,220)	(26,767)	(13,988)
Net profit/(loss) attributable to members	386	(13,805)	(464)	(12,779)
Dividends provided for or paid to outside equity interest	–	(29)	–	–
(Accumulated losses) at end of financial year	(25,668)	(26,054)	(27,231)	(26,767)

CONSOLIDATED ENTITY

2003	2002
\$'000	\$'000

Note 25: Outside Equity Interests in Controlled Entities

Outside Equity Interest Comprises:

Share Capital	25	242
Retained Profits / (Accumulated Losses)	83	(6)
	108	236

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Note 26: Equity				
Total equity at the beginning of the financial year	10,328	23,540	9,379	21,488
Total changes in equity recognised in the Statement of Financial Performance	386	(13,805)	(464)	(12,779)
Contributions of equity, net of transaction costs	10,431	670	10,431	670
Dividends provided for or paid to outside equity interest	–	(29)	–	–
Total changes in outside equity interest	(128)	(48)	–	–
Total equity at the end of the financial year	21,017	10,328	19,346	9,379

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

Note 27: Financial Instruments

(a) INTEREST RATE RISK EXPOSURES

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

30 June 2003	Note	FIXED INTEREST RATE MATURING					Total
		Floating interest rate	1 Year or less	Over 1 to 5 years	More than 5 Years	Non-Interest bearing	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and deposits	9	–	–	–	–	1,341	1,341
Receivables	11	–	–	–	–	14,813	14,813
		–	–	–	–	16,154	16,154
Financial Liabilities							
Bank overdrafts	20	4,154	–	–	–	–	4,154
Trade and other creditors	19	–	–	–	–	13,402	13,402
Bank loans	20	1,750	–	–	–	–	1,750
Lease and hire purchase liabilities	20	–	140	273	–	–	413
Owing to director related party	20	1,000	–	–	–	–	1,000
		6,904	140	273	–	13,402	20,719
Weighted average interest rate		10.0%	9.0%	9.0%			
Net financial assets/(liabilities)		(6,904)	(140)	(273)	–	2,752	(4,565)
Financial Assets							
Cash and deposits	9	47	–	–	–	2	49
Receivables	11	–	–	–	–	6,016	6,016
		47	–	–	–	6,018	6,065
Weighted average interest rate		2.0%					
Financial Liabilities							
Trade and other creditors	19	–	–	–	–	6,570	6,570
Bank overdrafts	20	1,451	–	–	–	–	1,451
Related parties	20	1,705	–	–	–	65	1,770
Lease and hire purchase liabilities	20	–	401	95	–	–	496
		3,156	401	95	–	6,635	10,287
Weighted average interest rate		11.0%	9.3%	9.3%			
Net financial assets/(liabilities)		(3,109)	(401)	(95)	–	(617)	(4,222)

(b) CREDIT RISK

Credit Risk is the risk that counter parties to a financial asset will fail to discharge their obligations, causing the consolidated entity to incur a financial loss.

At balance date the consolidated entity had concentrations of credit risk on trade debts due from customers, which was mitigated by the fact that several of the major customers have blue chip status.

The carrying amounts of cash and non interest bearing monetary financial assets and liabilities (eg. accounts receivable and payable) approximate net fair value.

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Note 28: Capital and Leasing Commitments					
(a) FINANCE LEASE COMMITMENTS PAYABLE					
Not later than one year		141	308	–	225
Later than one year but not later than five years		328	10	–	–
Minimum lease payments		469	318	–	225
Less future finance charges		(56)	(13)	–	(8)
Total Lease Liability		413	305	–	217
Represented by:					
Current liability	20	140	295	–	217
Non-current liability	20	273	10	–	–
		413	305	–	217
(b) HIRE PURCHASE COMMITMENTS PAYABLE					
Not later than one year		–	121	–	121
Later than one year but not later than five years		–	94	–	94
Minimum hire purchase payments		–	215	–	215
Less future finance charges		–	(24)	–	(24)
Total Hire Purchase Liability		–	191	–	191
Represented by:					
Current liability	20	–	106	–	106
Non-current liability	20	–	85	–	85
		–	191	–	191
(c) OPERATING LEASE COMMITMENTS					
Non-cancellable operating leases contracted for but not capitalised in the financial statements:					
Not later than one year		540	580	269	294
Later than one year but not later than five years		769	1,474	123	242
Later than five years		119	676	–	–
Commitments not capitalised in the financial statements		1,428	2,730	392	536

Included in the above commitments are GST amounting to \$130K, which will be recoverable from the Australian Taxation Office.

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000

Note 29: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those favourable to other parties unless otherwise stated.

DIRECTOR-RELATED TRANSACTIONS

Directors:

The name of persons who were directors of Broadcast Services Australia Limited at any time during the financial year are:

Brett Crowley	Daniel Lipshut
Brian Baldwin	Greg Mullane
Mark Foley	John Sambell
Robert Hallas	Russell Hodge

(a) LOANS FROM DIRECTORS

Loans payable to a director at balance date comprises:

Unsecured loans	1,000	–	1,000	–
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(b) TRANSACTIONS WITH DIRECTORS AND DIRECTOR-RELATED ENTITIES

(i) Share Transactions

The aggregate number of shares and share options of Broadcast Services Australia Limited acquired by directors and/or director-related entities during the financial year were as follows:

Ordinary shares	64,353,630	6,290,297	64,353,630	6,290,297
Options over ordinary shares	3,000,000	–	3,000,000	–

The aggregate number of shares and share options of Broadcast Services Australia Limited disposed of by directors and/or director-related entities during the financial year were as follows:

Ordinary shares	–	26,975,000	–	26,975,000
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The aggregate number of shares and share options of Broadcast Services Australia Limited held directly, indirectly or beneficially by directors and/or director-related entities at balance date are as follows:

Ordinary shares	83,035,951	20,472,618	83,035,951	20,472,618
Options over ordinary shares	3,000,000	–	3,000,000	–

(ii) Other Transactions with Directors and Director-Related Entities:

Transaction Type

Rent paid to Sambell Newcourt on commercial terms on the premises at Heidelberg which is occupied by the business of Mr Antenna and Mr Alarms

–	77	–	–
---	----	---	---

Interest paid on commercial terms to Sambell Newcourt Pty Limited of which John Sambell is a Director, in relation to a convertible note issued as part consideration of the business of Mr Antenna

9	209	–	–
---	-----	---	---

Interest paid on commercial terms to Keencrown Pty Limited of which Mark Foley is a Director, as part consideration of the subsidiaries acquired under the grouping of "The Delaney Group"

–	15	–	–
---	----	---	---

Consultancy fees paid to Keencrown Pty Limited of which Mark Foley is a Director

–	15	–	–
---	----	---	---

Interest paid on commercial terms to Brian Baldwin, in relation to a loan agreement.

31	–	31	–
----	---	----	---

Consultancy fees paid to InterCorp Pty Limited of which Daniel Lipshut is a Director

27	–	–	–
----	---	---	---

Rent paid to Computer Support Systems Pty Limited of which Robert Hallas is a Director on commercial terms on premises at Abbotsford which was occupied by the business of BSA Pty Limited in Melbourne.

25	–	–	–
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Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

Note 30: Events Subsequent to Balance Date

- From 1 July 2003, the company has introduced an Exempt Employee Share Plan. All employees with 12 months continuous service are eligible to participate. The issue of shares to employees are subject to the Group's KPI's being met.
- On 2 July 2003, the Directors resolved to issue 6,437,500 ordinary shares @ 7.3 cents per share amounting to \$472,013.42 in respect of conversion of debt to equity to ISL Pty Limited. The actual shares are still to be issued, but are shown in the financial statements as part of Contributed Equity.
- From 8 September 2003 the Group's current bank facilities have been replaced with a Debtor Finance Facility with the National Australia Bank. This facility will allow a maximum of \$10 million credit facility.

Note 31: Economic Dependency

Broadcast Services Australia Limited's business is dependent upon the retention and performance of its major clients Foxtel, Telstra and Optus and those entities' ability to both maintain and attract subscribers.

Note 32: Segment Reporting

PRIMARY REPORTING – BUSINESS SEGMENTS 2003	Subscription TV	Free to Air	Broadcast Transmissions	Consolidated
	\$'000	\$'000	\$'000	\$'000
Sales to customers outside the consolidated entity	45,541	9,709	12,983	68,233
Other revenue	274	–	–	274
Total revenue	45,815	9,709	12,983	68,507
Segment result	(525)	580	949	1,004
Income tax expense				(565)
Net profit				439
Segment assets	32,521	1,267	10,415	44,203
Segment Liabilities	12,761	819	9,606	23,186
Acquisition of property, plant and equipment, intangibles and other non current segment assets	892	69	723	1,684
Depreciation and amortisation expenses	1,831	(256)	234	1,809
Non-cash expenses other than depreciation and amortisation	–	–	–	–
PRIMARY REPORTING – BUSINESS SEGMENTS 2002				
Sales to customers outside the consolidated entity	46,707	8,807	–	55,514
Other revenue	772	–	–	772
Total revenue	47,479	8,807	–	56,286
Segment result	(12,523)	(762)	–	(13,285)
Income tax expense				(518)
Net profit				(13,803)
Segment assets	20,735	2,584	–	23,319
Segment Liabilities	5,312	7,679	–	12,991
Acquisition of property, plant and equipment, intangibles and other non current segment assets	171	103	–	274
Depreciation and amortisation expenses	1,746	884	–	2,630
Non-cash expenses other than depreciation and amortisation	–	–	–	–

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Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

Note 32: Segment Reporting continued...

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS 2003

	Australia \$'000	New Zealand \$'000	Consolidated \$'000
Sales to customers outside the consolidated entity	68,128	105	68,233
Other revenue	274	–	274
Total revenue	68,402	105	68,507
Segment result	1,152	(148)	1,004
Segment assets	44,203	–	44,203
Segment Liabilities	23,186	–	23,186
Acqisition of non current segment assets	1,684	–	1,684

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS 2002

Sales to customers outside the consolidated entity	54,710	804	55,514
Intersegment sales	–	–	–
Other revenue	772	–	772
Total revenue	55,482	804	56,286
Segment result	(13,243)	(41)	(13,284)
Segment assets	22,359	960	23,319
Segment Liabilities	12,513	477	12,990
Acqisition of non current segment assets	274	–	274

BUSINESS AND GEOGRAPHIC SEGMENTS

Business Segments

The economic entity has the following three business segments:

Subscription TV

This segment comprises the following businesses:

Foxtel

The economic entity performs much of Foxtel's domestic satellite installation across Australia and has a three year agreement with Foxtel.

Optus

The economic entity has a two year agreement with Optus for the supply of installation and maintenance services for bundled telephony and subscription TV services in Queensland.

Telstra

The economic entity performs quality, high volume customer installations and various other commercial works for Telstra.

Free to Air

This segment comprises the following businesses:

Mr Antenna / Mr Alarms

Mr Antenna performs installation of television antennas in homes across Australia.

Broadcast Transmissions

This segment comprises the following businesses:

BSA Pty Limited

BSA Pty Limited is a major turn key equipment and services provider to the broadcast and telecommunications industries.

Geographic Segments

Geographic segments are based on location of assets.

Notes to and forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 2003

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Note 33: Contingent Liabilities				
Details and estimates of maximum amounts of contingent liabilities are as follows:				
Guarantee given for property lease for the parent entity at Unit 8, 79/99 St Hilliers Road Auburn NSW	81	81	81	81
Guarantee given for property lease for a subsidiary entity at Unit 14, 30/32 Beaconsfield Street Alexandria NSW	23	23	23	23
Guarantee given for property lease for the parent entity at Warehouse 1, Lot 27 Metroplex on Gateway, Murrarie QLD	60	60	60	60
Guarantee given for property lease for a subsidiary entity at Unit 2, 19–21 Gibbes Street Street, Chatswood NSW	53	–	–	–
Guarantee given which secures due and proper performance of the obligations of a subsidiary under an Agreement with a customer.	250	–	–	–

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000

Note 34: Franking Account

Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and other adjustments.	1,326	–	1,145	–
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Note 35: Company Details

Broadcast Services Australia Limited (Formerly Comet Satellite & Cable Limited) is a Company incorporated in Australia and domiciled in New South Wales.

ADDRESS OF REGISTERED OFFICE Suite 2, 19–21 Gibbes Street, Chatswood

PRINCIPAL PLACE OF BUSINESS Suite 2, 19–21 Gibbes Street, Chatswood

COMPANY SECRETARY Brett Crowley

Additional Disclosures – Listed Companies

The following information is provided in respect of shareholders as at 29 August 2003:

(a) DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

	Number of Holders	Shares	Ordinary Shares
			Options
1 to 1,000	204	169,558	–
1,001 to 5,000	736	2,446,498	–
5,001 to 10,000	265	2,249,134	–
10,001 to 100,000	272	7,713,197	–
100,001 and above	41	140,899,756	–
	1,518	153,478,143	–

(b) EQUITY SECURITY HOLDERS: TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The names of the twenty largest holders of equity securities are listed below:

Name of Holder	Ordinary Shares	
	Number Held	% of Issued Shares
Hawke & Tusk Pty Limited	25,234,969	16.44%
Intercorp Telecommunications Pty Limited	22,984,969	14.98%
Link Traders (Aust) Pty Ltd	17,332,017	11.29%
Mr Greg Mullane	13,552,679	8.83%
Mr Mark Foley	8,131,607	5.30%
Mr Neville Lovell	7,399,659	4.82%
Mr Lawrence Semple	7,349,659	4.79%
Mr Robert Hallas	7,081,013	4.61%
Berrara Beach Developments Pty Limited	5,790,297	3.77%
Rentamobile Pty Limited	4,448,000	2.90%
Sherrin Foley	5,421,072	3.53%
Anaman Pty Limited	4,578,537	2.98%
Mr Wesley Spark	2,959,864	1.93%
Mr Andrew Graeme Moffatt & Mrs Elizabeth Ann Moffat <Cowoso Super Fund A/C>	1,000,000	0.65%
Matthew Sean Cowley	928,939	0.61%
Craig Anthony Fishburn	928,938	0.61%
ASM (WA) Pty Ltd	746,792	0.49%
Antwerp Consultants Ltd	629,642	0.41%
Bendarra Pty Ltd	550,000	0.36%
Mastar Pty Limited	500,000	0.33%
	137,548,653	89.62%

(c) SUBSTANTIAL HOLDINGS

Substantial holders in the company are set out below:

	Ordinary Shares
Hawke & Tusk Pty Limited	25,234,969
Intercorp Telecommunications Pty Limited	22,984,969
Link Traders (Aust) Pty Ltd	17,332,017
Mr Greg Mullane	13,552,679
Mr Mark Foley	8,131,607

(d) VOTING RIGHTS

One vote is attached to each fully paid ordinary share.

(e) SECURITIES SUBJECT TO VOLUNTARY ESCROW

There are 56,648,000 shares subject to escrow until December 2004.

(f) HOLDERS OF LESS THAN MARKETABLE PARCEL OF SHARES

Nil





Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Broadcast Services Australia Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2003 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

BDO

Chartered Accountants

A handwritten signature in black ink that reads 'R D Goodman'.

R D Goodman

Partner

Sydney; 29th September 2003



corporate directory

BROADCAST SERVICES AUSTRALIA LIMITED REGISTERED OFFICE

CONTACT: Alisa Boyd
ADDRESS: Suite 2, 19-21 Gibbes Street, Chatswood NSW 2067
PHONE: +61 2 9935 5903
FAX: +61 2 9935 5949
EMAIL: aboyd@bsa.com.au
WEBSITE: www.bsa.com.au

BSA CONTRACTING SOLUTIONS OFFICE

SYDNEY **ADDRESS:** Unit 8, 79-99 St Hilliers Road, Auburn NSW 2144
PHONE: +61 2 8748 2400
FAX: +61 2 8748 2577

BRISBANE **ADDRESS:** 49 Borthwick Ave, Murrarie QLD 4172
PHONE: +61 7 3902 7500
FAX: +61 7 3902 7550

MELBOURNE **ADDRESS:** 143 Newlands Road, North Coburg VIC 3058
PHONE: +61 3 9319 9912
FAX: +61 3 9350 8831

PERTH **ADDRESS:** 27 Irvine Drive, Malaga WA 6090
PHONE: +61 8 9247 8500
FAX: +61 8 9247 8588

ADELAIDE **ADDRESS:** 43B First Ave, Killkenny SA 5009
PHONE: +61 8 8268 9523
FAX: +61 8 8268 4283

BSA TRANSMISSION SOLUTIONS OFFICE

SYDNEY **ADDRESS:** Suite 2, 19-21 Gibbes Street, Chatswood NSW 2067
PHONE: +61 2 9935 5900
FAX: +61 2 9935 5949

BRISBANE **ADDRESS:** 82-84 Basalt Street, Geebung QLD 4034
PHONE: +61 7 3865 4858
FAX: +61 7 3865 4859

MELBOURNE **ADDRESS:** 143 Newlands Road, North Coburg VIC 3058
PHONE: +61 3 9319 9912
FAX: +61 3 9350 8831

SHARE REGISTRY

COMPUTERSHARE INVESTOR SERVICES PTY LIMITED

ADDRESS: Level 2, 60 Carrington Street, Sydney NSW 2000
PHONE: (Inside Australia) 1300 855 080
(Outside Australia) +61 3 9615 5970
FAX: +61 2 8234 5050

AUDITOR

BDO CHARTERED ACCOUNTANTS AND ADVISORS

ADDRESS: Level 19, 2 Market Street, Sydney NSW 2000



Notice of Annual General Meeting and Explanatory Notes

Broadcast Services Australia Limited

ACN 088 412 748

Date: Tuesday, 25 November 2003

Time: 9:30 am

Place: BDO Chartered Accountants & Advisers
Level 19, 2 Market Street,
Sydney, NSW 2000

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Broadcast Services Australia Limited ACN 088 412 748 ('**BSA**' or '**the Company**') will be held at the offices of BDO Chartered Accountants & Advisers, Level 19, 2 Market Street, Sydney, NSW 2000 on **Tuesday, 25 November 2003** at **9:30 am** (EST).

Business

1. Financial Statements and reports

To consider:

- (a) the financial statements;
- (b) the directors' report; and
- (c) the auditor's report

of the Company for the year ended 30 June 2003.

2. Election of Directors

- (a) To consider and, if thought fit, to pass the following ordinary resolution:

'That Brian Raymond Baldwin, a director appointed in accordance with clause 64 of the Constitution of the Company, is re-elected as a director of the Company'.

- (b) To consider and, if thought fit, to pass the following ordinary resolution:

'That Daniel Leon Lipshut, a director appointed in accordance with clause 64 of the Constitution of the Company, is re-elected as a director of the Company'.

- (c) To consider and, if thought fit, to pass the following ordinary resolution:

'That Brett Crowley, a Director retiring in accordance with clause 62(3) of the Constitution of the Company, is re-elected as a director of the Company'.

3. Grant of options

- (a) To consider and if thought fit to pass the following ordinary resolution approving the grant of options to Mr Brett Crowley who is the Chairman of the Company:

'That, in accordance with Listing Rule 10.11 of the Australian Stock Exchange Limited, the grant of 1,000,000 options to the Chairman, Mr Brett Crowley (**Options**), be authorised and approved, each Option to subscribe for one ordinary share in the Company at the exercise price of \$0.20 and on other terms described in the Explanatory Statement to this Notice of Meeting.'

- (b) To consider and if thought fit to pass the following ordinary resolution approving the grant of options to Mr Daniel Leon Lipshut who is the Joint Managing Director of the Company:

'That, in accordance with Listing Rule 10.11 of the Australian Stock Exchange Limited, the grant of 2,000,000 options to the Joint Managing Director, Mr Daniel Leon Lipshut (**Options**), be authorised and approved, each Option to subscribe for one ordinary share in the Company at the exercise price of \$0.20 and on other terms described in the Explanatory Statement to this Notice of Meeting.'

- (c) To consider and if thought fit to pass the following ordinary resolution approving the grant of options to Mr Mark Gerard Foley who is the Joint Managing Director of the Company:

'That, in accordance with Listing Rule 10.11 of the Australian Stock Exchange Limited, the grant of 2,000,000 options to the Joint Managing Director, Mr Mark Gerard Foley (**Options**), be authorised and approved, each Option to subscribe for one ordinary share in the Company at the exercise price of \$0.20 and on other terms described in the Explanatory Statement to this Notice of Meeting.'

4. Approval and ratification of share issues

To consider and if thought fit to pass the following ordinary resolution:

'That in compliance with listing rule 7.4 of the Australian Stock Exchange Limited, the issue of, the issue of 6,437,500 Ordinary Shares in the capital of the Company to International Sports Licensing Pty Limited at an issue price of \$A0.0650 per Ordinary Share (**'the New Shares'**) as described in the Explanatory Statement to this Notice of Meeting is approved and ratified.'

By Order of the Board

Brett Crowley

Chairman

Dated: 21 October 2003 - Sydney, New South Wales

Voting and proxies

1. Determination of membership and Voting Entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the shares of the Company that are quoted on the Australian Stock Exchange Limited as at 9.30am Sydney time on 23 November 2003, will be taken for the purpose of the 2003 Annual General Meeting, to be held by the persons who held them at that time.

Accordingly, those persons will be recognised as members of the Company and the holders of Shares and will be entitled to attend and vote at the Annual General Meeting.

2. Votes of Members

On a show of hands, each member present in person or by proxy or in the case of a body corporate by a representative at the Annual General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy or in the case of a body corporate by a representative, shall have one vote for each Share held by him.

3. Voting exclusions

Under the Listing Rules, BSA is required to disregard any votes on:

- **Item 3(a)** (issue of 1,000,000 options) - by Brett Crowley or any of his associates.
- **Item 3(b)** (issue of 2,000,000 options) - by Daniel Leon Lipshut or any of his associates.
- **Item 3(c)** (issue of 2,000,000 options) - by Mark Gerard Foley or any of his associates.
- **Item 4** (ratification of the issue of 6,437,500 Shares to International Sports Licensing Pty Limited) - by International Sports Licensing Pty Limited and any of its associates.

However BSA is not required to disregard a vote if:

- it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with directions in the proxy form; or
- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Proxies

Please note that:

- (a) A member who is entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on behalf of the member.
- (b) Where the member is entitled to cast two (2) or more votes, the member may appoint two (2) proxies and may specify the proportion or the number of votes each proxy is appointed to exercise.
- (c) If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
- (d) A proxy need not be a member of the Company.
- (e) Any instrument of proxy deposited or received at the registered office of the Company in which the name of the appointee is not filled in shall be deemed to be given in favour of the chairman of the Annual General Meeting to which it relates.
- (f) Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.
- (g) A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
- (h) If a shareholder appoints the chairman of the Meeting as the shareholder's proxy and does not specify how the chairman is to vote on an item of business, the chairman will vote, as proxy for that shareholder, in favour of that item on a poll.
- (i) To be effective the instrument appointing a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of the power or authority) must be deposited not less than forty eight (48) hours prior to the General Meeting, that is, by 9:30 am Sydney time on 23 November 2003:
 - By mail, delivery or facsimile to the Company's Office, being:
Unit 2, 19-21 Gibbes St,
Chatswood NSW, 2067
Fax: 61 2 9935 5949
 - Or by mail, delivery or facsimile to Broadcast Services Australia Limited share registry, being:
Computershare Investor Services Pty Ltd
Level 2, 60 Carrington Street, Sydney NSW 2000
Fax: 61 2 8235 8220

A form of proxy accompanies this Notice of Meeting.

Explanatory notes

1. Financial statements and reports

The *Corporations Act 2001* (Cth) requires the financial report (which includes the financial statements and directors declaration), the directors' report and auditor's report in respect of the financial year of BSA ended on 30 June 2003 to be laid before the 2003 Annual General Meeting.. Shareholders will be given an opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of BSA.

2. Re-election of directors

- 1.1 During the year, two directors, Brian Raymond Baldwin and Daniel Leon Lipshut were appointed as directors by the board of directors. In accordance with clause 64 of the Company's constitution, a director appointed by the board holds office until the Annual General Meeting and is then eligible for re-election. Brian Baldwin and Daniel Lipshut each seek re-election as a director of the Company.

Brian Raymond Baldwin's and Daniel Leon Lipshut's details are set out in the 2003 Annual Report.

- 1.2 Clause 62.3 of the Company's constitution requires that at each Annual General Meeting one-third of the directors must retire from office. A director appointed during the year either to fill a casual vacancy or as an addition to the directors is not taken into account in determining the directors who must retire by rotation. Therefore, Brett Thomas Crowley, being the director who has longest been in office, retires by rotation and is eligible for re-election at the Annual General Meeting on 25 November 2003. In accordance with clause 62(4) of the Company's Constitution, Brett Crowley has submitted himself for re-election at the Annual General Meeting as a director.

Brett Crowley's details are set out in the 2003 Annual Report.

3. Grant of options as remuneration

3.1 Related Parties

Each of Brett Thomas Crowley, Chairman (**Crowley**), Daniel Leon Lipshut, Joint Managing Director (**Lipshut**) and Mark Gerard Foley, Joint Managing Director (**Foley**) as directors of the Company, are Related Parties under s228(2) of the *Corporations Act 2001* (Cth).

3.2 Notice Requirements for Items 3a and 3b and 3c

Pursuant to Listing Rules 10.11 and 10.13:

(a) Listing Rule 7.1

If any of the resolutions relating to Items 3a, 3b or 3c of the Notice of Meeting is passed, approval of the issue is not required under Listing Rule 7.1

(b) Name and number of securities to be issued

In considering the remuneration to be offered to the directors, the board took into account the scope of the role, the immediate and longer term business challenges facing the Company and market practice for executives in positions of similar responsibility. Having regard to those considerations, the board has decided

(i) 1,000,000 Options will be issued to Crowley pursuant to the resolution set out in Item 3a of the Notice of Meeting.

(ii) 2,000,000 Options will be issued to Lipshut pursuant to the resolution set out in Item 3b of the Notice of Meeting.

(iii) 2,000,000 Options will be issued to Foley pursuant to the resolution set out in Item 3c of the Notice of Meeting.

(c) Date by which securities will be issued and allotted

If Shareholder approval is obtained in respect of the resolutions set out at Items 3a, 3b or 3c of the Notice of Meeting, the grant of the Options to be issued pursuant to the approved Resolution will occur within four (4) business days after the date of the Annual General Meeting, or any adjournment of the Annual General Meeting.

(d) Issue Price of securities

No amount is payable on grant of the Options. The exercise price of the Options referred to in Items 3a, 3b or 3c will be \$0.20.

(e) Terms of securities

The Options are exercisable, subject to the succeeding paragraph, from 30 June 2004 to the third anniversary of their date of issue. On exercise one share will be issued per Option.

Each Option will only be exercisable if the optionholder has not resigned from his position with the Company, or been terminated for misconduct, with effect before 30 June 2004. These conditions are imposed to ensure Crowley, Lipshut and Foley cannot exercise their Options unless they continue to contribute to the Company until at least 30 June 2004.

Any Shares issued on the exercise of the Options issued pursuant to the resolutions set out in Items 3a, 3b or 3c will be Officially Quoted and will rank equally with all the other shares on issue in the Company and in all other respects the rights and entitlements of the holders in respect of those shares will be identical to the rights and entitlements of the holders of currently issued shares in the Company.

(f) Voting Exclusion Statement

(i) The Company will disregard any votes cast on:

- **Item 3(a)** (issue of 1,000,000 options) - by Brett Crowley or any of his associates.
- **Item 3(b)** (issue of 2,000,000 options) - by Daniel Leon Lipshut or any of his associates.
- **Item 3(c)** (issue of 2,000,000 options) - by Mark Gerard Foley or any of his associates.

(ii) However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

(g) Intended use of the funds

If the Options are exercised, the Company will use the exercise price received by it to reduce debt and for general corporate purposes.

3.3 Directors of the Company

(a) Each of the Directors of the Company, (excluding Crowley, Lipshut and Foley who did not participate in any board discussion or decisions in relation to the issue of options referred to in Items 3a, 3b, and 3c respectively) believes that the giving of this financial benefit to Crowley, Lipshut and Foley is reasonable given the;

- (i) circumstances of the Company; and
- (ii) circumstances of each of Crowley, Lipshut and Foley (including the responsibilities involved in their respective offices of Chairman and Joint Managing Directors of a listed company in the commercial services and supplies sector in Australia),

and recommend that the Shareholders approve the giving of the financial benefits to Crowley, Lipshut and Foley as specified in clause 3.2 above.

- (b) The exercise price for the options, at \$0.20, represents a significant premium to the current share price of the Company. The Directors, other than Crowley, Lipshut and Foley, recognise the important contribution that each of Crowley, Lipshut and Foley can contribute to shareholder value over the short to medium term.
- (c) Crowley, Lipshut and Foley as Directors of the Company have an interest in the outcome of the resolution approving the giving of the financial benefits.

4. Ratification of share placement

ASX Listing Rule 7.5 requires the following information about the issue to ISL to be given to the Company's shareholders.

(a) Issue

International Sports Licensing Pty Limited

(b) Number of securities issued

6,437,500 ordinary shares

(c) Issue price

A\$0.0650 per share in consideration for ISL developing BSA's CS division.

(d) Terms of issue:

On the same terms as the Company's other fully paid ordinary shares.

(e) Voting exclusion statement

(i) The Company will disregard any votes cast on:

- **Item 4** (ratification of the issue of 6,437,500 Shares to International Sports Licensing Pty Limited) - by International Sports Licensing Pty Limited and any of its associates.

(ii) However BSA is not required to disregard a vote if:

- it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with directions in the proxy form; or
- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

(f) Use of funds

The issue was in consideration for ISL developing BSA's CS division.

Rule 7.1 of the Listing Rules of the ASX limits the number of equity securities (which include shares) that the Company may issue during any 12 month period without shareholder approval.

The New Shares represent approximately 4.19% of the Company's issued capital, and were within the limit, which is set at 15% of the Company's issued capital.

Rule 7.4 of the Listing Rules provides that an issue of equity securities made without the prior approval of the shareholders will be treated as having been made with their approval if the shareholders subsequently approve the issue.

By ratifying the issue to ISL. the Company, going forward, may issue securities up to the 15% limit during the next 12 months without the need to obtain shareholder approval. This refreshes the Company's ability to issue more equity securities within the 15% in 12 months limit. By taking this course, the Company will be well placed to readily take advantages of opportunities as they arise.

DATED: 21 October 2003