2007 annual report

BSA LIMITED

(Formerly Broadcast Services Australia Limited)

contents

chairman's report

“ We expect to maintain the performance standards that have been set during this last year and will continue the search for growth opportunities where acquisitions could benefit from our management model.

Last year in my report, I advised you of the restructuring of the digital broadcast business division of BSA. This was done to help transition the company away from excessive reliance on what we saw as a waning market, towards sustained growth and profitability in other areas where our expertise can create prosperity into the future.

As your Chairman it gives me great pleasure to report that the strategic decisions your board took during the last year have succeeded in achieving a very successful result for the company. In fact results in all areas have well exceeded the challenging budgets that were set at that time.

For 2006-2007, BSA has reported an EBITDA of $14.3 million (prior year $4.6 million). This has been a significant result, given the challenges of recruiting and retaining enough qualified installers and IP technicians against the significant demands for labour in the mining sector.

The fact that the company has been able to accept the challenges of improved performance in a tight market has only been possible because of the quality and dedication of all of the staff and contractors. In particular, mention must be made of the excellent support given to Managing Director Mark Foley by his team of senior managers including Brendan Foley, Ray Larkin, Barbara Godfrey, Shaun Rafferty, Leaston Paull and Peter Tripodi who joined the team recently.

All divisions of the company have performed well during this year. As a result of management's efforts and those of your board, BSA has managed to capitalise on its strengths to enable it to meet the aggressive financial targets which were set for the year. The company has now established a strong and consistently performing platform which will enable it to meet the significant challenges of this next year.

In July 2007, the company announced that it had purchased the Triple M Group of companies. Triple M is a leading building services company, a market we have long aspired to be part of. This strategic acquisition will not only broaden the company's industrial base, it will also enable the synergistic use of the first class training and management models which have been part of the backbone for BSA.

The board welcomes Mark Lowe, the managing director of Triple M as a director of BSA.

Looking ahead, our confidence in management, market sectors and company structure is high. We expect to maintain the performance standards that have been set during this last year and will continue the search for growth opportunities where acquisitions could benefit from our management model.

Finally, I wish to express my appreciation to fellow Directors Mark Foley, Daniel Lipshut, Max Cowley, Michael Givoni and Paul Teisseire. All have given extraordinary amounts of time and valuable expertise to the company during this last year, in the knowledge that the rapid growth and success of the business would necessitate a sincere commitment. Shareholders are well served by the contribution from each of the directors.

We have again expressed an outlook for the company this coming year which is set to deliver improved financial results for the 2007/8 year. With a strong balance sheet and an exceptional team, your board has the confidence to look at expanding the company's interests further in the year ahead.

We look forward to your continued support and encourage you to attend the AGM so we can meet you in person.

Brian Baldwin,
Chairman
Sydney
26 September 2007

managing directors' report

"Our ability to retain, train and recruit labour has also proved to be a great advantage.

Introduction

I am pleased to report that during this year just completed, all divisions of the company have risen to the challenge of demanding performance targets producing an exceptional financial result. After the board considered and adopted recommendations last year to restructure under-performing divisions, I can report that each and every division has been profitable and this trend of profitability is set to continue as we move forward. Changes to structure and strategic direction were made to ensure that the company progresses from a position of strength into a year which is expected to be even more challenging.

As a result of continued high performance, the company has been able to broaden relationships with its major customers. Persistent adherence to core management principles of providing service, quality, safety and customer satisfaction have resulted in terrific results for the year. Achieving $14.3 million EBITDA and a net profit of $9.0 million after tax are in line with our expectations of BSA's ability to deliver results well in excess of previous periods. Our ability to retain, train and recruit labour has also proved to be a great advantage. During this past year we have extended contracts with some of our major customers and have expanded the provision of services using our in-house systems to the advantage of our customers.

My senior management team, staff and contractors delivered great results again this year. As the company expands, many new people have joined us and I am very satisfied with the culture of camaraderie and dedication emerging in the larger group. We are well placed to manage further growth with our current team through continued recruitment and training in specialised areas of the business which will be essential as the business diversifies.

With the recent post period acquisition of Triple M, BSA has moved confidently into a new market space of providing high quality building services. This demonstrates the significant first step in broadening services and capabilities offered by BSA. The acquisition telegraphs to shareholders the board's strategic thinking in relation to expansion, a direction for which I couldn't be more enthusiastic.

Operations

During the year, BSA has been able to capitalise on the significant developments in the telecommunications and broadcasting industries including the subscription and free to air television markets. Each divisional General Manager has delivered a strong result in their respective business streams. This has enabled BSA to actively plan its direction both with current customers and for reaching into new areas which capitalise on the skill sets of our people and systems.

Tickets of work have increased by 43% to 1,360,000 during 06/07 and the use of our proprietary 'Clarion' system to assist in job assignment, distribution and call centre management has been expanded in partnership with our major clients.

During the year, we reorganised the Home Services group through the implementation of a more robust business model allowing the business to focus on growth and operational efficiency. I am pleased to advise that this group is now performing to our expectations.

I am also delighted to report that towards the end of the 07 financial year, BSA completed the transition of FOXTEL's Cable Transition program. BSA now has more active involvement with FOXTEL customers through the integration of IT systems between the two companies. These initiatives have resulted in an extension of the services contract with FOXTEL for a further four years with revenue expected to exceed $300 million.

Austar continues to show significant growth for BSA through consistent subscriber take up in North Queensland and commercial markets. BSA continues to lead the market with our service delivery across all facets of performance indicators.

Another initiative I can report this year is the establishment of a new Network Engineering capability to support the Tellabs Australia equipment in the Telstra network. This includes 24 x 7 Technical assistance and Logistics services. The successful execution of a major deployment of Tellabs equipment was made against extremely tight deadlines.

Our success in gaining the extension or renewal of contracts with some of our important customers is testament to the hard work expended throughout the organisation. BSA's ability to deliver considerable resources at ever increased quality of service, safety and cost effectiveness is outstanding, when recruitment of qualified technicians has been hampered by the expansion, particularly in the mining and associated industries.

Notable Events during the Year

BSA was very pleased to sign a 4 year contract extension with FOXTEL for the provision of installation and maintenance services to its 1.4 million subscribers worth approximately $300 million in revenue. We have had a long association with FOXTEL and together have developed a strategic partnership that now sees BSA managing the largest share of FOXTEL's installation activities. Securing the extended contract was achieved without going through the arduous and costly process of a Tender and is a testament of our past history in providing service excellence in this industry and FOXTEL's faith in BSA's capability and quality.

The signing of the 4 year contract followed BSA securing approximately 50% of the installation and maintenance services for FOXTEL's cable customers. These services were transitioned from Telstra to BSA over three phases and was completed in December 06.

One of the key objectives at the beginning of the financial year was to turn around business units that were not performing to the standards set by me and the board. I am happy to report that the Home Services and Technical Services divisions are delivering results in line with the rest of the BSA group. This was achieved through driving growth and focusing on the identification and removal of inefficient utilisation of resources.

I am also able to report some additional initiatives BSA has undertaken during the year including one I regard as particularly important for the industry in general; training. Having become a Registered Training Organisation last year, the BSA communications group has added a further 30 traineeships spread across Sydney, Brisbane and Canberra and we are set to increase this number further during the coming year. BSA's Advanced Learning business unit is also contracted to Telstra Learning Academy to complete various training programs for Telstra internal staff including OH&S, ADSL and computer based training.

BSA Advanced Learning business unit was also contracted by the Australian Army Reserve in a partnership to provide traineeships to the Military.

Our industry is required to meet exacting standards in its operations. During this year, BSA's OHS was certified AS/NZS 4801: 2001 and is now formalising its environmental management system with a view to achieving AS/NZS ISO 14001: 2004 by December 2007. The Technical Services Group has been audited and has been included in the BSA's accreditation for both ISO9001 (Quality) and AS/NZ 4801 (Occupational Health and Safety).

As our company grows it has been recognised that we need to be socially responsible and as such during the year we have encouraged and assisted BSA contractors in converting their vans to natural gas fuel.

Additionally we feel it is important to give something back to the community and therefore we have also provided significant support to Young Care Limited, a nationally registered charity and non-profit organisation dedicated to providing accommodation for young Australians with high care needs. The issue of caring for these people is broad and complex. Young Care's aim is to raise awareness of the issue through forming partnerships with Community, Business and Government as it seeks to develop viable, sustainable solutions that provide the care and dignity we all deserve.

Our Strong and Sustainable Organic Growth

For the fifth straight year our organic revenue growth rates have been excellent. This was the third time in the last 5 years that we exceeded an exceptional organic growth rate of 20%. You cannot achieve this kind of impressive and consistent result by sheer luck. You get this result by consistently delivering a superior quality service. Our customers are partnering with us to identify opportunities in their businesses to deliver more efficient and superior customer service. Our customers get tangible competitive advantages through greater efficiencies we can deliver with our unique IT systems and competitive cost base and you as our shareholders, benefit from a higher return on your investment when we achieve such a strong result as this year.

Financial Results

- Revenue growth of 21.6% to $158.9 million (2006: $130.6 million). This great performance was driven by strong organic growth across the whole company.
- Earnings before interest, tax and depreciation and amortisation (EBITDA) of $14.3 million (2006: $4.6 million).
- Net Profit After Income Tax (NPAT) amounted to $9.0 million (2006: $0.7million).
- Operating Cash Flow has been well managed this year with operating cash flow before investing and financing showing an increase to $7.1 million (2006: negative $0.2 million)
- As a result of the exceptional year the BSA directors resolved to declare a final dividend of 1.7 cents per share (2006: 0.5 cents).
- The company's equity position has also improved. Total assets of BSA have grown to $52.2 million from $41.7 million last year.
- Shareholder equity rose accordingly to $35.4 million from $27.4 million.
- Earnings per Share has risen from 0.4 cents per share to a substantial 5.68 cents per share.
- Our market capitalisation increased from $35.5 million a year ago to a figure at 30 June 2007 of $119.1 million.

Segment Results

During the period, the consolidated entity operated in the following segments:

1. Telecommunications and Broadcasting.
2. Subscription TV and Free to Air.

The performance of these business segments is detailed in the Directors' report and the Accompanying Financial Statements.

In summary, the segments contributed the following results for the period:

	Telecommunications and Broadcasting		Subscription TV and Free to Air		Total	
	2007	2006	2007	2006	2007	2006
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	59,771	51,435	99,514	79,183	159,285	130,618
Segment Result (pre tax)	5,602	257	7,321	1,366	12,923	1,623

The future

During 06/07 BSA has consolidated its position as a quality national technical services provider of high volume works. BSA will be looking to maintain and enhance this reputation by continuing to expand the types of services it provides and extending the coverage into any industry where we can take advantage of the proprietary technologies and systems that we have developed.

In July 2007, BSA announced the purchase of the Triple M Group of companies. Triple M specialises in non-residential building services including ventilation, air conditioning and fire protection services particularly for major developments such as the American Express HQ, Qantas Hangar 96 upgrade, Green Square Commercial Development in Brisbane and the UBS fit-out of Chifley Tower. The quality of design, installation and service maintenance already shown by Triple M sits well with the ethos of BSA. I welcome Managing Director Mark Lowe and his team into the expanded group and look forward to the developing cross-sale synergies I believe that we can achieve together. Further acquisitions to expand this capability are an area of particular interest to us.

We will continue to maintain our investment into training and trainees. We see this as a vital part of BSA's commitment to train the youth of today into excellent tradespersons of the future.

We will also continue our active strategic focus on corporate development of the business, by securing new opportunities to further grow and diversify our company.

In conclusion

All in all, the last 12 months has been a year of remarkable and outstanding progress which looks likely to continue into the future. Through a strong culture of dedication and delivery to our customers, we can expand into new markets achieving similar success. I am extremely proud of the commitment shown by staff throughout the company and the professionalism displayed by them. Operations on a scale the size of BSA can be complex but we have a team and plan to execute and deliver more consistently than others. We will continue to train and recruit so as to grow and prosper for shareholders.

Entering the new year, BSA has shown its ability to change direction and expand leaving us better positioned than ever before. We have transformed our business and retained profitable, stable, high performance revenue streams. It is my intention to maintain the pace of change from within while taking advantage of a new structure which enables us to look outward for growth opportunities in parallel with current operations.

M. Foley

Mark Foley
Managing Director
Sydney
26 September 2007

directors' report

"BSA will increase sales and profit over the next year by delivering results based on stable high performance business units delivering consistent results.

The directors of BSA Limited (the 'Company') present their annual financial report of the Company for the year ended 30 June 2007.

Directors

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

Brian Baldwin – Chairman (Non-executive)
Brian commenced his business career in the Venture Capital industry while it was still a fledgling market sector in 1983. During that time, he was responsible for assessing hundreds of businesses for potential investment and making investment recommendations to boards. His accumulated corporate acumen and reputation prompted a number of major banks to seek Brian's skills both locally and internationally, to assist in turnarounds of stressed or failing companies. First appointed Director of a public company in 1984, Brian has been a Director of many companies since. He founded one of Australia's largest privately owned recruitment and contracting companies, Challenge Recruitment Limited. Brian was appointed as a Director on 5 December 2002.

Mark Foley – Managing Director
Mark has over 16 years of management experience gained as principal in the electrical contracting field in addition to six years at the helm of BSA. He has established numerous successful businesses in satellite, electrical, property development and managed services sectors. Mark has an open communicative style supported by expert knowledge and a wealth of experience in operational execution. Mark is a Director of a number of private companies and was a director of the Bendigo listed Brumby's Bakeries Holdings Ltd until July 2007. Mark was appointed Managing Director on 25 September 2001.

Daniel Lipshut – Executive Director
Daniel is responsible for corporate and business development. Daniel's extensive commercial background includes M&A, business development, bidding and managing contracts in various defence, broadcast and communication sectors. Daniel has a Master of Business Administration from the University of Technology Sydney and is a member of the Australian Institute of Company Directors. He was appointed Director of BSA Limited on 5 December 2002.

Paul Teisseire – Non-executive Director
Paul is a professional independent non-executive director. Paul has spent over 20 years in private practice as a corporate lawyer specialising in business and corporate law with a special interest in corporate governance. Based in Adelaide, Paul is chairman of each of Auspine Ltd, Legend Corporation Ltd and Austin Exploration Limited. Until recently, Paul was non-executive director of Australian Executor Trustees Ltd (an operating subsidiary of Australian Wealth Management Ltd) and was also the non-executive Chairman of unlisted Challenge Recruitment Limited. Paul was appointed as non-executive director on 23 March 2005.

Michael Givoni – Non-executive Director
Michael is a Senior Executive at Spotless Group Limited. He is the Group General Counsel and Company Secretary, involved in strategy, merger and acquisition development, legal and company secretarial responsibilities. Previous to his management career, Michael was a practising solicitor and a partner in a prominent corporate legal practice. Michael is also a director of The Venture Bank Ltd, and a number of private companies. Michael was appointed as non-executive director on 23 March 2005.

Max Cowley – Non-executive Director
Max is the principal of accounting firm E M Cowley & Co and has practised as a chartered accountant as principal for 42 years. He is a Director of Bidvest Australia Limited, WIN Corporation Pty Limited and a number of private companies. Max is the company secretary of Birketu Pty Limited, BSA's single largest shareholder and has been closely involved with the development of WIN Corporation Pty Limited, Australia's largest regional broadcast network from its commencement and over the past thirty years. His years of corporate and financial experience are extensive. Max was appointed to the Board of BSA Limited on 2 May 2006.

Mark Lowe – Executive Director
Upon the acquisition by BSA of the Triple M Group of companies, of which Mark Lowe is Group Managing Director, Mark was appointed a director of BSA Limited on 1 August 2007.

directors' report

Director Independence

The board considers three of BSA's directors independent as defined under the guidelines being: Brian Baldwin, Paul Teisseire and Michael Givoni.

In assessing the independence of directors, the board follows the ASX guidelines as set out in the Corporate Governance Statement within this Annual Report.

Performance of directors

In accordance with Principle 8(1) of the ASX Corporate Governance Guidelines the board has conducted a review of the performance of its directors and the board's function as a whole during the period. The evaluation of directors was done in accordance with the process established by the board, led by the chair of the Remuneration and Nominations committee.

Principal Activities

The principal activities of the consolidated entity during the financial year were:

- Acting as national provider of contracting services to subscription television and telecommunication companies for their customer base;
- The supply of TV aerials and related digital television communication / alarm equipment and services to the home, through franchise brands; and
- Delivery of infrastructure projects, services, transmission and microwave equipment to the Broadcast and Telecommunication industries.

There were no significant changes to the company's activities throughout the year.

Financial Highlights

BSA's total revenue for the year grew to $159.0 million (2006 $130.6m) with resultant earnings before interest, tax and depreciation (EBITDA) of $14.3 million (2006 $4.6m).

Although revenue increased by 21.8%, Net Profit after provision for Income Tax (NPAT) increased to $9.0 million (2006 $0.7m). The increase in profit is attributed to all of the divisions performing to expectations after the restructuring of the transmission solutions business towards the end of the last financial year and the re-focussing of the Home Services Division at the beginning of this financial year.

Earnings Per Share

	2007	2006
Basic earnings per share	5.83 cents	0.40 cents
Diluted earnings per share	5.68 cents	0.40 cents

Operational Highlights

During this year, BSA has been able to capitalise on the significant developments in the telecommunications and broadcasting industries as well as the subscription and free to air television markets. Each division has delivered a strong result and has enabled BSA to actively plan its forward moves both with current customers and for reaching into new areas which capitalise on the skill sets of our people and systems.

Tickets of work have increased by 43% to 1,360,000 during 06/07 and the use of our proprietary 'Clarion' system to assist in call centre management has been expanded in partnership with our major clients.

During the year, the Home Services group was reorganised and BSA completed the transition of FOXTEL's Cable Transition program, whereby BSA now has more active involvement with FOXTEL customers through the integration of IT systems between the two companies. These initiatives have resulted in an extension of the services contract with FOXTEL for a further four years.

Austar continues to show significant growth for BSA on the back of subscriber take up through our North Queensland and commercial markets.

During the year a new Network Engineering capability to support the Tellabs Australia equipment in the Telstra network was commissioned. This includes 24 x 7 Technical assistance and Logistics services. The successful execution of a major deployment of Tellabs equipment was made against extremely tight deadlines.

Notable events during the year were

- BSA secured an extension of its services contract with FOXTEL for a further four years on the back of BSA successfully securing 50% of FOXTEL's cable installation and maintenance work under its Cable Transition program. BSA now has more active involvement with FOXTEL customers through the integration of IT systems between the two companies.
- BSA established a new Network Engineering capability to support the Tellabs Australia equipment in the Telstra network. This includes 24 x 7 Technical assistance and Logistics services. The successful execution of a major deployment of Tellabs equipment was made against extremely tight deadlines.
- The Communications Group has added a further 30 traineeships spread across Sydney, Brisbane and Canberra to their initial intake of 12 Sydney-based trainees. BSA's Advanced Learning business unit is also contracted to Telstra Learning Academy to complete various training programs for Telstra internal staff including OH&S, ADSL and computer based training.
- BSA Advanced Learning business unit was also contracted by the Australian Army Reserve in a partnership to provide traineeships to the Military.
- Our industry is required to meet exacting standards in its operations. During this year, BSA's OHS was certified AS/NZS 4801: 2001 and is now formalising its environmental management system with a view to achieving AS/NZS ISO 14001: 2004 by December 2007. The Technical Services Group has

been audited and has been included in the BSA's accreditation for both ISO9001 (Quality) and AS/NZ 4801 (Occupational Health and Safety).

- Austar continued to show significant growth for BSA on the back of subscriber take up through our North Queensland and commercial markets. BSA continues to lead the market with our service delivery in all facets of performance indicators.
- The Home Services group was reorganised through the implementation of a more robust business model allowing the business to focus on growth and operational efficiency.

Outlook

On 1 August 2007, BSA acquired the Triple M Group of Companies. Triple M is a vibrant company in the growing building services market and will have significant impact on the results for the BSA consolidated group moving forward.

BSA will increase sales and profit over the next year by delivering results based on stable high performance business units delivering consistent results. The company has plans to:

- Integrate Triple M into the BSA group to take advantage of skills, efficiencies and synergies that are evident since the acquisition.
- Re-focus the expanded BSA group to become a broader based, significant industrial services company.
- Maintain the high level of support for the BSA key customers in FOXTEL, Telstra, OPTUS, AUSTAR and all other customers in the group.
- Participate in opportunities for multi-site tenders for institutional clients.
- Expand special hazards capabilities in Fire to target resources and mining markets.
- Accelerate growth in the maintenance divisions in support of current installations.
- Continue its trainee programme to create more skilled technicians upon which to rely as a flexible resource in the future.
- Expand the use of the company's skill base with further fibre optic contracts.
- Consider further opportunities for diversification.
- Invest business development resources into more managed services and support contracts.

Consolidated Results

The net amount of profit of the consolidated entity for the financial year after income tax was $8,984,000.

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

Interim ordinary fully franked dividend of 1.5 cents per share paid on 17 March 2007
$2,316,000

Final ordinary fully franked dividend of 1.7 cents per share to be paid on 3 October 2007
$3,081,000

Changes in State of Affairs

Changes in the state of affairs of the entity during the financial year were as follows:

a. net increase in the contributed equity of $1,875,936 including $12,957 of related fees (from $47,601,481 to $ 49,477,417) as a result of:
   - Issue of 150,000 fully paid ordinary shares @ $0.25 each on conversion from debt to equity.
   - Issue of 700,000 fully paid ordinary shares @ $0.23 to employees under the BSA Executive Securities Plan.
   - Issue of 3,426,707 fully paid ordinary shares under the Dividend Reinvestment Plan.
   - Issue of 1,000,000 fully paid ordinary shares @ $0.20 each on exercise of options granted.
   - Issue of 200,000 fully paid ordinary shares @ $0.26 each on exercise of options granted.

b. net cash received for the increase in contributed equity amounting to $252,000.

c. significant expenses relevant in explaining the financial performance:

- Share-based payments expense – $201,000.

Events occurring after balance date

Purchase of the Triple M Group of Companies

On 25 July the company announced the acquisition of the Triple M Group of Companies. For the year ended 30 June 2007, the Triple M Group reported an estimated EBITDA of $6.9 million (unaudited). The purchase was concluded on 1 August 2007.

TELSTRA

In September 2007 Telstra Limited advised BSA Limited that the current contract for the provision of installation and maintenance services on its "copper" network will not be renewed at its expiration on 30 June 2008. Whilst BSA Limited will not provide these services as the prime contractor post June 2008, BSA has commenced negotiations with the successful bidders with the view of securing future work volumes by providing installation and maintenance services directly to them under a subcontracting arrangement. BSA is confident of a positive outcome in this regard.

OPTUS

In September 2007 BSA was successful in securing the Consumer HFC Installation Maintenance and Service Contract with OPTUS (Singapore Telecommunications Ltd). The contract is for a term of 2 years with revenues expected to be in excess of $30 million. This contract equates to approximately 50% of the available work under this agreement and establishes BSA as a major service provider to OPTUS on its entire HFC network in Sydney, Melbourne and Brisbane.

Dividend Declared

The Directors announced a final 1.7 cent dividend with a record date of 14 September 2007 and payment date of 3 October 2007.

Environmental Regulation and Performance

The Company was not subject to any particular or significant environmental regulations of the Commonwealth individual States or Territories during the financial year.

directors' report

Corporate Governance

The company continued to follow best practice recommendations as set out by the ASX Corporate Governance Council. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance section in this annual report. Further corporate governance information is available on the Company's web site at www.bsa.com.au/corporate.

Remuneration Report

This remuneration report details the nature and amount of remuneration for each director of BSA Limited, and for the executives receiving the highest remuneration. The full remuneration report can be found under the financial section of this annual report.

Remuneration policy

The remuneration policy of BSA Limited has been designed to align executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The board of BSA believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for executive directors and senior executives of the economic entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the remuneration committee and approved by the board. Professional advice from independent external consultants was obtained for the development of executive directors' remuneration.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and performance incentives.
- The remuneration committee reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors.

Nominated Executives are also entitled to participate in the employee share and option arrangements at the discretion of the remuneration committee. All executive directors and executives receive a superannuation guarantee contribution as required by government legislation, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Options are valued using the Black-Scholes methodology.

Board Remuneration

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee share plan.

Performance-based remuneration

As part of each executive director and executive's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between directors/executives with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with directors/executives to ensure buy-in. The measures are specifically tailored to the areas each director/executive is involved in and has a level of control over. The KPIs target areas the board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the business unit and group which includes consideration of respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, BSA bases the assessment on audited figures, however, where the KPI involves comparison of the group or a division within the group to the market, independent reports are obtained from various organisations.

Details of Remuneration for Year Ended 30 June 2007

The remuneration for each director and each of the executive officers of the consolidated entity receiving the highest remuneration during the year was as follows:

	Salary, Fees and Commissions	Superannuation Contribution	Cash Bonus	Non-cash Benefits	Options	Other (A/L, L/S/L)	Total	Performance Related
Directors								
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	%
Brian Baldwin	64	6	-	-	-	-	70	-
Mark Foley	361	39	-	-	92	28	520	-
Daniel Lipshut	310	20	-	-	92	14	436	-
Max Cowley	50	5	-	-	-	4	59	-
Michael Givoni	50	5	-	-	-	-	55	-
Paul Teisseire	50	5	-	-	-	-	55	-
Total	885	80	-	-	184	46	1,195	
Specified Executives								
Brendan Foley	221	26	38	-	5	63	353	10.8
Shaun Rafferty	184	13	20	-	-	5	222	9.6
Ray Larkin	163	18	24	-	5	38	248	14.3
Leaston Paull	163	15	35	-	-	31	244	11.8
Bryce Wood	187	23	-	-	-	12	222	-
Barbra Godfrey	113	14	20	-	-	23	170	9.0
Total	1,031	109	137	-	10	172	1,459	

Options issued as part of remuneration for the year ended 30 June 2007

No Options were issued to directors or executives as part of their remuneration during the period. Company policy regarding options has changed and now no longer contemplates the issue of options to executive directors or executives. The board may amend this policy in future. Current and future non-cash incentives to executive directors and/or executives include participation in the BSA executive securities plan. Invitation to participate and to what extent, is calculated to increase goal congruence between executives, directors and shareholders.

Employment contracts of directors and senior executives

The employment conditions of the managing director, Mark Foley and executive director Daniel Lipshut, are formalised in contracts of employment. Other than the managing director and executive director, all executives are permanent employees of BSA. Mark Foley is employed under a fixed three-year contract, which commenced on 1 October 2005 and expires on 30 September 2008. Daniel Lipshut is employed under a fixed two-year contract, which commenced on 1 October 2005 and expires on 30 September 2007.

The employment contracts stipulate a range of three to six-month resignation periods. The company may terminate an employment contract without cause by giving notice to the employee and making payment in lieu of the notice period in accordance with the individual's contract. Where a contracted employee resigns, termination payments are provided for within the notice period of each individual's contract. Termination payments are generally not payable on dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time. In a case of termination for misconduct any loans are to be immediately repaid and all entitlements to awards in relation to incomplete cycles will be forfeited.

directors' report

Information on Directors

At 30 June 2007, director's interests in BSA Limited shares and options were:

Director	Special Responsibilities	Ordinary Shares	Options	Escrowed Shares till 22 Dec 2007	Escrowed shares till 13 Jan 2009
Brian Baldwin Chairman Non-executive	Acting Chairman of Board Member of Audit Committee Member of Nomination and Remuneration Committee	3,999,518	Nil	Nil	Nil
Mark Foley Executive director	Managing Director	4,543,359	3,000,000	2,617	4,000,000
Daniel Lipshut Executive director	Executive Director	353,648	3,000,000	2,617	Nil
Paul Teisseire Non-executive	Chairman of Audit Committee Member of Nomination and Remuneration Committee	178,818	Nil	Nil	Nil
Michael Givoni Non-executive	Chairman of Nomination and Remuneration Committee Member of Audit Committee	150,000	Nil	Nil	Nil
Max Cowley Non-executive	Member of Nomination and Remuneration Committee Member of Audit Committee	*31,775,938	Nil	Nil	Nil

** Shares owned by Birketu Pty Ltd*

Directors' Current and Former Directorships

Period of Appointment	Name of Company / Trust	Position Held (Non Exec or Exec Director)
Brian Baldwin		
Appointed 11 October 2002. Resigned 13 October 2005.	Challenge Recruitment Ltd	Non-executive Chairman
Mark Foley		
Appointed 14 January 2003. Resigned 9 July 2007.	Brumby's Bakeries Holdings Ltd	Non-executive Director
Daniel Lipshut		
Appointed 27 August 1996	Intercorp Pty Limited and Intercorp Telecommunications Pty Limited	Non-executive Director
Paul Teisseire		
Appointed August 1996	Auspine Ltd	Non-executive Chairman and Member (prior Chairman) of Audit and Compliance Committee
Appointed July 1996 Resigned October 2006	Australian Executor Trustees Ltd (Former Tower Trust Ltd)	Non-executive Chairman and prior, Chairman and member of the Audit and Compliance Committee to June 2005
Appointed March 2004	Legend Corporation Ltd	Non-executive Chairman and Member of the Audit and Compliance Committee
Appointed June 2006	Austin Exploration Ltd	Non-executive Chairman and Member of the Audit and Compliance Committee
Michael Givoni		
Appointed 31 July 2001	Venture Management Investment Company Pty Ltd	Non-executive Director
Appointed 1 July 2002	The Venture Bank Limited	Non-executivee Director
Max Cowley		
Appointed 3 August 2001	Birketu (Pty) Ltd	Company Secretary
Appointed 27 July 2000	WIN Corporation Pty Ltd	Director
Appointed 3 February 2005	Sydney Fish Market Pty Ltd	Director
Appointed 27 July 1987	Bidvest Australia Ltd	Director

Company Secretary

The following person held the position of company secretary at the end of the financial year.

Mr Graham Seppelt

Mr Seppelt has had extensive experience as a contract accountant and in corporate advisory roles. He is currently company secretary for Austin Exploration Limited, Primary Resources Limited, Legend Corporation Limited and Rundle Capital Partners Limited.

directors' report

Meetings of Directors

The number of meetings of the company's board of directors and each board committee held during the year ended 30 June 2007, and the number of meetings attended by each director were:

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
Brian Baldwin	14	18	5	5	2	2
Paul Teisseire	17	18	5	5	2	2
Michael Givoni	15	18	2	5	2	2
Mark Foley	18	18	*	*	*	*
Daniel Lipshut	17	18	*	*	*	*
Max Cowley	18	18	5	5	2	2

A *Number of meetings attended*
B *Number of meetings held during the time the director held office or was a member of the committee during the year*
* *Not a member of the relevant committee*

Retirement, election and continuation in office of directors

Directors are subject to retirement by rotation and election by shareholders at a general meeting. No director other than the Managing Director, may remain on the Board for more than three years without re-election. Where a director is appointed during the year, the director will hold office until the next Annual General Meeting and then be eligible for election.

Mark Lowe was appointed as a director on 1 August 2007 and in accordance with the constitution retires as a director at the annual general meeting. Being eligible, Mark will offer himself for election.

Paul Teisseire is the director retiring by rotation who, being eligible, offers himself for re-election.

Indemnification of Officers and Auditors

The Company has entered into Deeds of Indemnity with each of the Directors and has taken out Directors and Officers Insurance (D&O) on behalf of each of the Directors.

No liability has arisen under this indemnity as at the date of this report.

Rounding of Amounts

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.

Proceedings on behalf of the company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened on behalf of the company with leave of the court under section 237 of the *Corporations Act 2001*.

Auditor

BDO Kendalls continues in office in accordance with section 327 of the *Corporations Act 2001*.

Auditors Independence declaration

A copy of the auditors' independence declaration as required under section 307c of the *Corporations Act 2001* is set out on page 26 of this report.

Non Audit Services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or group are important.

Details of the amounts paid or payable to the auditor (BDO Kendalls) for audit and non-audit services during the year are set out below.

The board of directors has considered the position and in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditors own work, acting in a management or a decision making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

AUDITORS' REMUNERATION

	Consolidated		Parent Entity	
	2007	**2006**	**2007**	**2006**
	$	$	$	$
Amounts paid/payable to BDO for:				
- auditing or reviewing the financial report	146,706	191,924	146,706	191,924
- taxation services	17,400	19,300	17,400	19,300

Brian Baldwin,
Chairman
Sydney
26 September 2007

corporate governance statement

The Board of BSA Limited (BSA) seeks to practice the highest ethical and commercial standards while executing its responsibilities in directing the business and affairs of the Company on behalf of its shareholders.

The Board of BSA has considered the principles of good corporate governance and best practice recommendations as published by the ASX Corporate Governance Council (ASXCGC) in March 2003. ASX Listing Rule 4.10.3 requires the Company to disclose the extent to which it follows or diverges from these best practice recommendations in its Annual Report.

This report discloses corporate governance practices Directors would like to highlight to stakeholders. To gain a complete appreciation of the company's governance charter in detail, this document should be read in conjunction with the Company's Corporate Governance web page www.bsa.com.au/corporate where fuller details are available.

Following this Corporate Governance Report (CGR), the board has provided details where the ASXCGC core principles and recommendations have not been followed including a full explanation as to why not.

The Role of the Board & Management

The Board of the Company is responsible for the overall corporate governance of the BSA Group, including its ethical behavior, strategic direction, establishing goals for management and monitoring the achievement of those goals with a view to optimising Company performance and maximising shareholder value.

The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Scheduled meetings of the Board are held monthly and the Board meets on other occasions to deal with matters that require attention between scheduled meetings. The responsibility for the operation and administration of the consolidated entity is delegated by the Board to the Managing Director.

The Board is responsible for:

- Setting the strategic direction of the Company and establishing goals to ensure these strategic objectives are met;
- Appointing the Managing Director, setting objectives for the Managing Director and reviewing performance against those objectives, ensuring appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- Monitoring financial performance including approval of the annual and half-yearly financial reports and liaison with the Company's auditors;
- Ensuring that risks facing the Company and its controlled entities have been identified ensuring that appropriate and adequate controls, monitoring and reporting mechanisms are in place;
- Receiving detailed briefings from senior management on a regular basis during the year;
- Approving the Boards of Directors of subsidiary companies; and
- Ensuring the Company complies with the law and conforms to the highest standards of financial and ethical behavior.

Members of the Board visit the Company's places of business and meet with local management. These actions enable Directors to enhance their knowledge of the Company's activities and assist them in setting the performance for senior executives.

The composition of the Board is determined in accordance with the Company's constitution and the following principles and guidelines:

- The Board should comprise of at least three Directors with at least two Non-Executive Directors;
- The Board should comprise of Directors with an appropriate range of qualifications and expertise; and
- The Board should meet formally at least eleven times per annum and informally on an as required basis with all Directors being made aware of, and having available, all necessary information, to participate in an informed discussion of all agenda items.

Directors in Office

At the date of this statement the following directors are considered independent by the Board:

Name	Position	Independent
B Baldwin	Chairman & Non-Executive Director	Yes
M Cowley	Non-Executive Director	No
M Foley	Executive Director	No
M Givoni	Non-Executive Director	Yes
D Lipshut	Executive Director	No
M Lowe	Executive Director	No
P Teisseire	Non-Executive Director	Yes

Director Independence

The board considers three of BSA's directors as independent under the guidelines: Brian Baldwin, Michael Givoni and Paul Teisseire.

In assessing the independence of directors, the board follows the ASX guidelines as set out:

An independent director is a non-executive director (ie is not a member of management) and:

1. is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company.
2. within the last three years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment.
3. within the last three years has not been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided.
4. is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
5. has no material contractual relationship with the company or another group member other than as a director of the company.
6. has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.
7. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

Chairman

The ASXCGC Recommendations recommend that the chairperson be independent.
Mr Baldwin is considered independent by the board under the guidelines as set out.

Appointment to the Board

The Board has appointed a Nomination and Remuneration Committee and established a Charter for this Committee which includes the identification and recommendation of potential director appointments. Where a casual vacancy arises during the year, the Committee has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next Annual General Meeting and is then eligible for re-election by the shareholders. Mark Lowe, who was appointed to the board on 1 August 2007 under Clause 56 of the Constitution, is standing for election at the 2007 Annual General Meeting.

New directors receive a letter of appointment which sets out the terms of their appointment. On appointment, an induction program is available to directors that include visits to key business units of the Company and one-on-one sessions with members of the senior management team.

Ethical Business Practices

The Company has adopted a Code of Conduct and is committed to being a socially responsible corporate citizen, using honest and fair business practices, to act in the best interests of clients so as to achieve the best outcome for shareholders.

The Board has procedures in place for reporting any matters that may give rise to conflict between the interests of a director and those of the Company. These procedures are reviewed as required by the Board. To this end, the Company has adopted a Conflict of Interest Policy that clarifies the processes for directors to determine and disclose when a conflict of interest exists.

Shareholding and Trading

The Board encourages directors to own shares in the Company to further link their interests with the interests of all shareholders. Trading of shares by directors is prohibited under certain circumstances and as described in the ASX Listing Rules and during certain periods of the financial year. A director must not deal in the Company shares at any time when he or she has unpublished information which, if generally available, might affect the share price. Directors are required to notify the Company Secretary following dealing.

Safeguard Integrity

The Board has established an Audit and Compliance Committee comprised of the four non-executive directors. This committee operates under a charter to enable it to perform its role and responsibilities. Where considered appropriate, the Company's external auditors and the Company's management are invited to attend meetings. The Members of the Audit Committee are:

Paul Teisseire (chair), Brian Baldwin, Max Cowley and Michael Givoni.

The role of the Audit and Compliance Committee is to assist the Board fulfill its responsibilities in relation to the identification of the areas of significant business risks and the monitoring of the following:

- Effective management of financial and other business risks;
- Reliable management reporting;
- Compliance with laws and regulations in respect to financial reporting;
- Maintenance of effective and efficient audits;
- Meeting with external auditors on a twice-yearly basis and informally as circumstances require; and
- Recommending to the Board the appointment, removal and remuneration of the external auditors, and to review their terms of engagement, and the scope and quality of the audit.

The Audit and Compliance Committee provides the Board with additional assurances regarding the reliability of financial information for inclusion in the financial statements.

Independent Advice

The Board recognises that in certain circumstances individual directors may need to seek independent professional advice, at the expense of the Company. Any advice so received will be made available to other directors.

Communication with Shareholders

The Board aims to ensure that shareholders, on behalf of whom they act, are informed of all major developments affecting the Company's activities and its state of affairs, including information necessary to assess the performance of the Directors.

Communication with shareholders is achieved through the distribution of the following information:

- The Annual Report distributed to all shareholders;
- The Annual General Meeting and other meetings so called to obtain shareholder approval for Board action as appropriate;
- Announcements to the Australian Stock Exchange;
- Investor information through the Company's internet portal at www.bsa.com.au; and
- Stakeholders and interested parties can register on this site to receive our alert service to receive an email message advising of new announcements.

The Company strives to ensure that company announcements via the ASX are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner.

Shareholders' Role

The shareholders of the Company are responsible for voting on the election of Directors at the Annual General Meeting in accordance with the constitution.

All Directors (other than the Managing Director) are subject to re-election by rotation, no later than every three years.

The Annual General Meeting also provides shareholders with the opportunity to express their views on matters concerning the Company and to vote on other items of business for resolution by shareholders.

The Company's auditor BDO Kendalls Chartered Accountants, make available a partner of the firm (Mr David McLean or other), to be in attendance at the Annual General Meeting and available to answer shareholder questions in relation to the audit.

Risk Management

The entire Board is responsible for overseeing the risk management function. The Company believes that it is crucial for all board members to be a part of the process and as such has not established a risk management committee as a subset of the full board.

The Board is responsible for ensuring the risks and opportunities are identified on a timely basis. To achieve this, the Board has implemented a risk system which allows for the monthly monitoring of identified risk areas and performance against the activities to minimise or control these identified risks.

The Board has a number of mechanisms in place to ensure the management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Implementation of Board approved operating plans and budgets;
- Board monitoring of progress against these budgets, including the monitoring of key performance indicators of both a financial and non financial nature; and
- The establishment of committees to report on specific risk as identified.

Internal Risk Management System Compliance

Management is accountable to the Managing Director to ensure that operating efficiency, effectiveness of risk management procedures, internal compliance control systems, controls and policies are all being monitored. The Board requires the managing director and chief financial officer to provide a statement confirming these procedures are being maintained.

Monitoring Performance

The Board and senior management monitor the performance of all Divisions through the preparation of monthly management accounts. The monthly management accounts are prepared using accrual accounting techniques and report each business unit's result as contribution after overhead allocation. These monthly management accounts are compared to monthly budgets, which have been set allowing for the seasonality of anticipated revenues and costs in each of the Divisions.

Each Division has key performance indicators and reports to identify revenue and sales performance on a timely basis at least each month. The identification of completed sales and the revenue earned and future trends in sales and revenue is a key driver of the success of the BSA Group.

The monitoring of the Company's performance by the Board and management assists in identifying the correct allocation of resources and staff to maximise the overall return to shareholders.

During the year the Board embarked on a performance review process including committees, managed by the chair of the Nomination and Remuneration Committee and the Chairman of the board.

Nomination and Remuneration

The Board has a Nomination and Remuneration Committee comprising four non-executive Directors.

The members of the Nomination and Remuneration Committee are:

Michael Givoni (chair), Brian Baldwin, Max Cowley and Paul Teisseire.

The role of the Nomination and Remuneration Committee is to identify and nominate new directors to the Board, determine the Company's remuneration plans, policies and practices, including compensation arrangements for the non-executive Directors, executive Directors, Managing Director and Officers. It is also responsible for considering general remuneration policies and practices, recruitment and termination policies and superannuation requirements.

There are no retirement schemes or retirement benefits other than statutory benefits for non-executive Directors.

Explanations for Departures from Best Practice Recommendations

During the Reporting Period, the Company has complied with each of the ten essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("ASX Principles and Recommendations"), other than in relation to the following matter.

The second Corporate Governance Principle recommends that the majority of the Board should be independent.

As at 30 June 2007, fifty percent of directors were independent as shown in the Directors' Report.

The reason for departure from this principle is one of practicality. The Board has focussed on the overarching principle of having directors who add value to the business.

On 1 August 2007, Mark Lowe, who is also not an independent director, joined the Board as a consequence of BSA purchasing the whole of the Triple M Group of companies. Mark Lowe is Managing Director of that Group. It was considered an essential part of the Triple M Group purchase that Mark bring his considerable and successful experience in developing the Triple M Group to the Board of BSA.

auditor's independence declaration

BDO Kendalls

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ABN 57 908 209 104

DECLARATION OF INDEPENDENCE BY DAVID McLEAN TO THE DIRECTORS OF BSA LIMITED (formerly BROADCAST SERVICES AUSTRALIA LIMITED)

As the lead auditor of BSA Limited for the year ended 30 June 2007, I declare that to the best of my knowledge and belief there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of BSA Limited and the entities it controlled during the year.

David McLean
Partner

BDO Kendalls

BDO Kendalls
Chartered Accountants

Dated Sydney, this 26th day of September 2007

financial report

BSA LIMITED
ABN 50 088 412 748
(Formerly BROADCAST SERVICES AUSTRALIA LIMITED)
AND SUBSIDIARIES

Income Statement

for the Year Ended 30 June 2007

		Consolidated		Parent Entity	
		2007	2006	2007	2006
	Note	$'000	$'000	$'000	$'000
Revenue	2	158,973	130,564	158,973	130,564
Other income	2	312	54	312	54
Changes in inventories of finished goods and work in progress		(526)	(396)	(526)	(396)
Raw materials and consumables used		(118,217)	(101,280)	(118,217)	(101,280)
Employee benefits expense		(16,950)	(16,006)	(16,950)	(16,006)
Depreciation and amortisation expenses	3	(1,371)	(1,236)	(1,371)	(1,236)
Impairment of intangibles	3	-	(1,500)	-	-
Occupancy expenses		(1,206)	(1,034)	(1,206)	(1,034)
Finance Costs	3	(279)	(222)	(279)	(222)
Other expenses		(7,813)	(7,321)	(7,813)	(7,321)
Profit before income tax expense		**12,923**	**1,623**	**12,923**	**3,123**
Income tax expense	4	(3,939)	(921)	(3,939)	(921)
Profit for the year		8,984	702	8,984	2,202
Profit attributable to members of the parent entity		**8,984**	**702**	**8,984**	**2,202**
Earnings per share for profit from continuing operations:					
Basic earnings per share	8	5.83 cents	0.40 cents		
Diluted earnings per share	8	5.68 cents	0.40 cents		

The accompanying notes form part of the above income statement.

Balance Sheet

as at 30 June 2007

		Consolidated		Parent Entity	
		2007	2006	2007	2006
	Note	$'000	$'000	$'000	$'000
CURRENT ASSETS					
Cash and cash equivalents	9	3,422	413	3,422	413
Trade and other receivables	10	28,121	21,387	28,121	21,387
Inventories	11	3,626	3,099	3,626	3,099
TOTAL CURRENT ASSETS		35,169	24,899	35,169	24,899
NON-CURRENT ASSETS					
Trade and other receivables	10	1,103	1,263	1,103	1,263
Property, plant & equipment	12	3,744	3,218	3,744	3,218
Deferred tax assets	13 (b)	689	825	689	825
Intangible assets	14	11,490	11,490	1,543	1,543
TOTAL NON-CURRENT ASSETS		17,026	16,796	7,079	6,849
TOTAL ASSETS		52,195	41,695	42,248	31,748
CURRENT LIABILITIES					
Trade and other payables	16	12,311	10,976	12,311	10,976
Borrowings	17	375	1,848	375	1,848
Current tax liabilities	13 (a)	2,644	245	2,644	245
TOTAL CURRENT LIABILITIES		15,330	13,069	15,330	13,069
NON-CURRENT LIABILITIES					
Borrowings	17	974	804	974	804
Deferred tax liabilities	13 (a)	122	77	122	77
Provisions	18	356	320	356	320
TOTAL NON-CURRENT LIABILITIES		1,452	1,201	1,452	1,201
TOTAL LIABILITIES		16,782	14,270	16,782	14,270
NET ASSETS		35,413	27,425	25,466	17,478
EQUITY					
Contributed equity	19	49,477	47,601	49,477	47,601
Reserves	20 (a)	1,146	945	1,146	945
Accumulated losses		(15,210)	(21,121)	(25,157)	(31,068)
TOTAL EQUITY		35,413	27,425	25,466	17,478

The accompanying notes form part of the above balance sheet.

Statement of Changes in Equity

for the Year Ended 30 June 2007

Consolidated

	Issued capital	Accumulated losses	Share-based payment reserve	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2005	46,563	(21,070)	488	25,981
Profit attributable to members of parent entity	-	702	-	702
Shares issued during period	1,038	-	-	1,038
Share-based payment expense	-	-	457	457
Dividends paid	-	(753)	-	(753)
Balance at 30 June 2006	47,601	(21,121)	945	27,425
Profit attributable to members of parent entity	-	8,984	-	8,984
Shares issued during period	1,876	-	-	1,876
Share-based payment expense	-	-	201	201
Dividends paid	-	(3,073)	-	(3,073)
Balance at 30 June 2007	49,477	(15,210)	1,146	35,413

Parent Entity

	Issued capital	Accumulated losses	Share-based payment reserve	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 July 2005	46,563	(32,517)	488	14,534
Profit attributable to members of parent entity	-	2,202	-	2,202
Shares issued during period	1,038	-	-	1,038
Share-based payment expense	-	-	457	457
Dividends paid	-	(753)	-	(753)
Balance at 30 June 2006	47,601	(31,068)	945	17,478
Profit attributable to members of parent entity	-	8,984	-	8,984
Shares issued during period	1,876	-	-	1,876
Share-based payment expense	-	-	201	201
Dividends paid	-	(3,073)	-	(3,073)
Balance at 30 June 2007	49,477	(25,157)	1,146	25,466

The accompanying notes form part of the above statements of changes in equity.

Cash Flow Statement

for the Year Ended 30 June 2007

		Consolidated		Parent Entity	
		2007	2006	2007	2006
	Note	$'000	$'000	$'000	$'000
Cash Flows From Operating Activities:					
Cash receipts from customers		168,353	133,461	168,353	133,461
Cash paid to suppliers and employees		(156,226)	(130,379)	(156,226)	(130,379)
Interest received		242	43	242	43
Interest and other costs of finance paid		(279)	(222)	(279)	(222)
Other taxes paid		(3,673)	(1,858)	(3,673)	(1,858)
Income tax refund		106	72	106	72
Income tax paid		(1,464)	(1,317)	(1,464)	(1,317)
Net cash provided by/(used in) operating activities	24 (a)	7,059	(200)	7,059	(200)
Cash Flows from Investing Activities:					
Proceeds - sale of property, plant and equipment		298	20	298	20
Payment for property, plant and equipment		(1,412)	(1,108)	(1,412)	(1,108)
Net cash used in investing activities		(1,114)	(1,088)	(1,114)	(1,088)
Cash Flows From Financing Activities:					
Proceeds from issue of shares		252	50	252	50
Proceeds of borrowings		9,500	1,570	9,500	1,570
Repayment of borrowings		(11,070)	-	(11,070)	-
Share issue costs paid		(13)	(12)	(13)	(12)
Dividends paid		(1,606)	(560)	(1,606)	(560)
Net cash (used in)/provided by financing activities		(2,937)	1,048	(2,937)	1,048
Net increase/(decrease) in cash		3,008	(240)	3,008	(240)
Cash at the beginning of the financial period		412	652	412	652
Cash at the end of the financial period	9	3,420	412	3,420	412

The accompanying notes form part of the above cash flow statement.

Notes to the Financial Statements
for the Year Ended 30 June 2007

Note 1: Summary of Significant Accounting Policies

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

The financial report covers the consolidated group of BSA Limited and controlled entities, and BSA Limited as an individual parent entity. BSA Limited is a listed public company, incorporated and domiciled in Australia.

The financial report complies with Australian Accounting Standards, being Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the consolidated financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity of which BSA Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 15 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

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

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is adjusted in the income statement except where it relates to items that may be adjusted directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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 tax legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

BSA Limited and its wholly-owned subsidiaries have implemented the tax consolidation legislation for the whole of the financial year. BSA Limited is the head entity in the tax consolidated group. The stand-alone taxpayer/separate taxpayer within a group approach has been used to allocate current income tax expense and deferred tax balances to wholly-owned subsidiaries that form part of the tax consolidated group. BSA Limited has assumed all the current tax liabilities and the deferred tax assets arising from unused tax losses for the tax consolidated group via intercompany receivables and payables because a tax funding arrangement has been in place for the whole financial year.

(c) Inventories

Raw materials and stores and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(d) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Notes to the Financial Statements

for the Year Ended 30 June 2007

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Plant & Equipment 10-33%
- Leased Plant & Equipment 8-22%
- Leasehold Improvements 7-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

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

(e) Leases

Lease of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangibles. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(h) Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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.

Equity-settled compensation

The group operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within interest-bearing liabilities in current liabilities on the balance sheet.

(k) Revenue

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

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

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

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

(l) Borrowing Costs

Borrowing costs are expensed when incurred.

(m) 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 balance sheet are shown inclusive of GST.

(n) Comparative Figures

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

(o) Contributed equity

Ordinary shares are classified as equity.

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

(p) Rounding of Amounts

The consolidated entity has applied the relief available under ASIC Class Order 98/0100 and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars or in certain cases to the nearest dollar.

(q) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]

AASB 7 and AASB 2005-10 are applicable to annual reporting periods commencing on or after 1 January 2007. The Group has not adopted the standards early. Application of the standards will not effect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's and the parent entity's financial instruments.

(ii) AASB-I 10 Interim Financial Reporting and Impairment

AASB-I 10 is applicable to reporting periods commencing on or after 1 November 2006. The Group has not recognised an impairment loss in relation to goodwill, investments in equity instruments or financial assets carried at cost in an interim reporting period but subsequently reversed the impairment loss in the annual report. Application of the interpretation will therefore have no impact on the Group's or the parent entity's financial statements.

(iii) AASB 2007-4 Amendments to Australian Accounting Standards arising from ED151 and other amendments

AASB 2007-4 is applicable to reporting periods commencing on or after 1 July 2007. Cash flows from operating activities will be presented on the face of the Cash Flow Statement using the indirect method instead of the direct method. This impacts the presentation of the Cash Flow Statements but there will be no impact on the net amount of cash generated from operating activities.

(iv) AASB 8 Operating Segments.

AASB 8 is applicable to reporting periods commencing on or after 1 January 2009. As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, disclosures required for the operating segments will be significantly different to what is currently reported (business and geographical segment).

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of goodwill for the year ended 30 June 2007. Should the projected turnover figures of the balance of the business be outside 90% of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of goodwill at 30 June 2007 amounting to $11,489,536.

The financial report was authorised for issue on 26 September 2007 by the board of directors.

Notes to the Financial Statements

for the Year Ended 30 June 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Note 2: Revenue				
From continuing operations:				
Sales revenue				
Sale of goods	16,062	13,532	16,062	13,532
Service revenue	142,911	117,032	142,911	117,032
Total Revenue	158,973	130,564	158,973	130,564
Other income:				
Interest – other persons	242	43	242	43
Foreign exchange gains	2	10	2	10
Net gain on disposal of non-current assets	68	1	68	1
Total Other Income	312	54	312	54

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Note 3: Profit for the Year				
Expenses				
Cost of sales	118,743	101,676	118,743	101,676
Finance Costs				
- external	279	222	279	222
Total finance costs	279	222	279	222
Depreciation of non-current assets				
- plant and equipment	897	796	897	796
Total depreciation	897	796	897	796
Amortisation of non-current assets				
- plant and equipment under finance leases	311	240	311	240
- leasehold improvements	163	200	163	200
Total amortisation	474	440	474	440
Total depreciation and amortisation	1,371	1,236	1,371	1,236
Net bad and doubtful debts expense – trade debtors	202	26	202	26
Rental expense on operating leases	944	778	944	778
Defined contribution expense – superannuation	1,500	1,463	1,500	1,463
Significant Items				
The following significant expenses are relevant in explaining the financial performance:				
Share-based payments expense	201	457	201	457
Impairment of goodwill	-	1,500	-	-
Write down of inventories to net realisable value	-	830	-	830
One off expense for completing the BSA Pty Ltd transaction	-	324	-	324

Notes to the Financial Statements

for the Year Ended 30 June 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

Note 4: Income Tax Expense

(a) The components of income tax expense comprise:

Current income tax	3,765	1,279	3,765	1,279
Deferred income tax	181	(277)	181	(277)
Over provision in respect of prior years	(7)	(81)	(7)	(81)
	3,939	921	3,939	921

(b) The prima facie income tax on the profit from continuing activities before income tax is reconciled to the income tax expense in the accounts as follows:

Prima facie income tax payable on profit from continuing activities before income tax calculated @ 30% (2006: 30%)	3,877	487	3,877	937
	3,877	487	3,877	937
Add:				
Tax effect of:				
- Impairment write-down of goodwill	-	450	-	-
- Share options expensed during year	61	137	61	137
Over provision for income tax in prior year	(7)	(81)	(7)	(81)
Other non deductible expenses	8	-	8	-
Other tax refunds	-	(72)	-	(72)
	62	434	62	(16)
Income tax expense attributable to profit before income tax	3,939	921	3,939	921
The applicable weighted average effective tax rates are as follows:	30%	57%	30%	29%

The increase in the weighted average effective consolidated tax rate for 2006 is a result of the impairment of the goodwill relating to the Transmission Solutions business.

Tax consolidation legislation

BSA Limited and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003. The accounting policy on implementation of the legislation is set out in Note 1 (b).

Note 5: Key Management Personnel Compensation

(a) Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Personnel	
Brian Baldwin	Chairman – Non-executive
Mark Foley	Managing Director – Executive
Daniel Lipshut	Director – Executive
Paul Teisseire	Director – Non-executive
Michael Givoni	Director – Non-executive
Edwin Cowley	Director – Non-executive
Brendan Foley	General Manager Contracting Services
Ray Larkin	General Manager Telecommunication Services
Leaston Paull	General Manager Subscription TV (Foxtel)
Barbra Godfrey	General Manager Subscription TV (Austar)
Bryce Wood	Chief Financial Officer – Appointed 6 July 2006
Shaun Rafferty	General Manager Transmission Solutions

(b) Key Management Personnel Compensation

2007

Key Management Person	Short-term Benefits				Post Employment
	Cash, Salary & Commissions	Cash Profit Share	Non-cash Benefit	Other*	Superannuation
	$	$	$	$	$
Brian Baldwin	64,220	-	-	-	5,780
Mark Foley	360,400	-	-	23,210	39,600
Daniel Lipshut	309,500	-	-	14,445	20,000
Paul Teisseire	50,459	-	-	-	4,541
Michael Givoni	50,459	-	-	-	4,541
Max Cowley	50,459	-	-	3,781	4,541
Brendan Foley	221,077	38,200	-	24,468	26,608
Ray Larkin	163,096	23,740	-	13,372	17,983
Leaston Paull	163,173	35,000	-	22,186	15,577
Barbra Godfrey	113,269	20,000	-	19,305	14,081
Bryce Wood	186,586	-	-	4,538	22,696
Shaun Rafferty	183,495	20,000	-	4,940	12,743
	1,916,193	136,940	-	130,245	188,691

** Consists of Annual and Long Service Leave.*

Notes to the Financial Statements

for the Year Ended 30 June 2007

2007 (cont'd)

Key Management Person	Other Long-term Benefits	Share-based Payment		Total	Performance Related
		Equity	Options		
	$	$	$	$	%
Brian Baldwin	-	-	-	70,000	-
Mark Foley	5,027	-	92,219	520,456	-
Daniel Lipshut	-	-	92,219	436,164	-
Paul Teisseire	-	-	-	55,000	-
Michael Givoni	-	-	-	55,000	-
Max Cowley	-	-	-	58,781	-
Brendan Foley	38,246	-	4,645	353,244	10.8
Ray Larkin	25,409	-	4,645	248,245	9.6
Leaston Paull	8,314	-	-	244,250	14.3
Barbra Godfrey	3,285	-	-	169,940	11.8
Bryce Wood	8,004	-	-	221,824	-
Shaun Rafferty	-	-	-	221,178	9.0
	88,285	-	193,728	2,654,082	

Employment contracts of key management personnel

The employment conditions of the managing director, Mr Foley, and the executive director, Mr Lipshut, and other executives are formalised in contracts of employment. Other than the managing and executive directors, all executives are permanent employees of BSA Limited. Mr Foley is employed under a fixed three year contract, which commenced on 1 October 2005 and expires on 30 September 2008. Mr Lipsut is employed under a fixed two year contract, which commenced on 1 October 2005 and expires on 30 September 2007.

The employment contracts stipulate a range of three to six months resignation periods. The company may terminate an employment contract without cause by providing 12 months written notice or making payment in lieu of notice, based on the individual's annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time and any loans are to be immediately repaid and all entitlements to awards in relation to incomplete cycles will be forfeited.

2006

Key Management Person	Short-term Benefits				Post Employment
	Cash, Salary & Commissions	Cash Profit Share	Non-cash Benefit	Other (AL,LSL)	Superannuation
	$	$	$	$	$
Brian Baldwin	64,000	-	-	-	6,000
Mark Foley	357,836	-	-	(10,093)	32,543
Daniel Lipshut	309,307	-	-	3,271	20,308
Paul Teisseire	50,000	-	-	-	5,000
Michael Givoni	50,000	-	-	-	5,000
Max Cowley	9,703	-	-	616	873
Brendan Foley	215,309	43,800	-	(3,068)	18,361
Ray Larkin	129,731	46,000	-	1,600	10,824
Leaston Paull	129,360	38,000	-	336	10,529
Barbra Godfrey	100,532	9,000	-	(89)	8,483
Bryce Wood	152,073	-	-	10,450	12,893
Shaun Rafferty	152,913	-	-	3,248	10,619
Ian McGregor	79,683	-	-	240,875	16,513
John Chellingworth	79,350	-	-	-	4,583
Vaughan Clark	150,463	-	-	-	12,698
	2,030,260	136,800	-	247,146	175,227

2006 (cont'd)					
Key Management Person	Other Long-term Benefits	Share-based Payment		Total	Performance Related
		Equity	Options		
	$	$	$	$	%
Brian Baldwin	-	-	-	70,000	-
Mark Foley	84,946	-	200,411	665,643	-
Daniel Lipshut	-	-	200,411	533,297	-
Paul Teisseire	-	-	-	55,000	-
Michael Givoni	-	-	-	55,000	-
Max Cowley	-	-	-	11,192	-
Brendan Foley	4,678	-	11,123	290,203	15.1
Ray Larkin	3,164	-	11,123	202,442	22.7
Leaston Paull	10,782	-	-	189,007	20.1
Barbra Godfrey	9,170	-	-	127,096	7.1
Bryce Wood	1,662	-	-	177,078	-
Shaun Rafferty	-	-	-	166,780	-
Ian McGregor	-	-	33,418	370,489	-
John Chellingworth	-	-	-	83,933	-
Vaughan Clark	-	-	-	163,161	-
	114,401	-	456,486	3,160,321	

(c) Compensation Options

There were no options granted to Key Management Personnel during the financial year.

(d) Options and Rights Holding

Number of Options Held by Specified Directors and Executives

	Balance 1.7.2006	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2007	Total Vested 30.6.2007	Total Exercisable 30.6.2007	Total Unexercisable 30.6.2007
Mark Foley	3,000,000	-	-	-	3,000,000	2,000,000	2,000,000	1,000,000
Daniel Lipshut	3,000,000	-	-	-	3,000,000	2,000,000	2,000,000	1,000,000
Brendan Foley	300,000	-	-	-	300,000	300,000	300,000	-
Ray Larkin	300,000	-	(200,000)	-	100,000	100,000	100,000	-
Ian McGregor	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
	7,600,000	-	(200,000)	-	7,400,000	5,400,000	5,400,000	2,000,000

Notes to the Financial Statements

for the Year Ended 30 June 2007

(e) Executive Securities Plan

	Opening Balance	Balance at End of Year	Interest Charged	Interest Not Charged	Provision for Impairment	Number of Individuals
	$000	$000	$000	$000	$000	
Specified directors						
2007	833	1,029	63	-	-	6
2006	807	833	26	-	-	1

Individuals with loans above $100,000 in reporting period

	Opening Balance	Interest Charged using effective interest rate method	Interest Not Charged	Balance 30.6.07	Highest Balance During Period
	$	$	$	$	$
Mark Foley	832,890	56,410	-	889,300	889,300

The above loan to Mark Foley represents an unsecured loan to purchase shares in BSA Limited which was passed at a meeting of members held on 12 December 2005. On 12 January 2006, 4,000,000 ordinary shares were issued at 24.4 cents per share.

The shares are in escrow for the period of the loan. The loan is repayable on 11 January 2009 and does not bear interest and has been booked in the accounts at net present value.

(f) Shareholdings

Number of Shares held by Parent Entity Directors and Specified Executives

	Balance 1.7.06	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.6.07
Ordinary Shares					
Parent Entity Directors					
Brian Baldwin	3,101,824	-	-	897,694	3,999,518
Mark Foley	4,131,607	-	-	411,752	4,543,359
Daniel Lipshut	148,648	-	-	205,000	353,648
Paul Teisseire	-	-	-	178,818	178,818
Michael Givoni	100,000	-	-	50,000	150,000
Edwin Cowley	30,244,000	-	-	1,531,938	31,775,938
Specified Executives					
Brendan Foley	8,429	-	-	-	8,429
Barbra Godfrey	-	-	-	-	-
Bryce Wood	50	-	-	134	184
Leaston Paull	-	-	-	132	132
Ray Larkin	-	-	200,000	(200,000)	-
Shaun Rafferty	-	-	-	-	-
Total	37,734,558	-	200,000	3,075,468	41,010,026

	Balance 1.7.06	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.6.07
Ordinary Shares – Escrowed					
Parent Entity Directors					
Mark Foley	4,002,617	-	-	-	4,002,617
Daniel Lipshut	2,617	-	-	-	2,617
Specified Executives					
Brendan Foley	2,617	-	-	200,000	202,617
Barbra Godfrey	2,617	-	-	50,000	52,617
Bryce Wood	2,617	-	-	50,000	52,617
Leaston Paull	2,617	-	-	200,000	202,617
Ray Larkin	2,617	-	-	200,000	202,617
Total	4,018,319	-	-	700,000	4,718,319

** Net change other refers to shares purchased or sold during the financial year.*

(g) Remuneration Practices

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

The company's reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness.
- Acceptability to shareholders.
- Performance linkage / alignment of executive compensation.
- Transparency.
- Capital management.

Non-executive directors
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed by the Board. The chairman's fees are determined independently to the fees of non-executive directors based on the director's experience and comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors fees
The current remuneration for directors was last reviewed in March 2006. Directors fees are inclusive of superannuation and include the requirement to sit on two or more board committees for the duration of their tenure and a director expected time commitment is between 5 to 10 hours per month. Directors are reimbursed actual expenses or paid a per diem for attendance at the monthly meetings.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, currently $300,000, which is periodically recommended for approval by shareholders. Shareholders will be asked to resolve to increase the pool limit to $600,000 at the Annual General Meeting to be held in November 2007.

Retirement allowances for directors
Non-executive directors do not participate in any share or option incentive plan and there are no retirement schemes or retirement benefits other than statutory benefits for non-executive Directors.

Executive Pay
The executive pay and reward framework has four components:

- Base pay and benefits.
- Short term performance incentives.
- Long term incentives through participation in the employee share plan and employee option plan.
- Other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base pay
Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market and meets the responsibilities of the position. There are no guaranteed base pay increases included in any senior executive's terms of employment.

Benefits
Executives receive benefits including allowances.

Retirement benefits
All employees are eligible to participate in the company's default superannuation fund. With the change in legislation as at 1 July 2005 the employees can now exercise choice as to where their superannuation is paid.

Short term incentives
Executive remuneration packages include a bonus based on a combination of the company achieving a pre-determined profit target and the operational pre-determined target being met. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with business plan.

Each executive with operational responsibilities has a short term incentive depending on the accountabilities of the role and impact on organisation and business unit performance. The maximum target bonus opportunity is 60% of base salary.

For the year ended 30 June 2007, the targets linked to the short term incentive plans were based on the group and individual business objectives. The target achievement required performance in reducing operating cost, increasing revenue and overall increase in earnings before interest tax depreciation and amortisation. The group targets are generic across the management team.

The nomination and remuneration committee is responsible for assessing whether the targets are met. Targets are set at the beginning of the year and are assessed semi annually. Short term bonus payments are adjusted up or down in line with under or over achievement against target performance levels. Because short term targets cover several operational areas of the business as well as the overall company target, short term incentives may be paid when operational targets are achieved although the company overall profit target may not be met.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

Note 6: Auditors Remuneration

Remuneration of the auditor of the parent entity for:				
- auditing or reviewing the financial report	146,706	191,924	146,706	191,924
- taxation services	17,400	19,300	17,400	19,300

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

Note 7: Dividends

(a)	**Ordinary Shares:**				
	Interim fully franked dividend of 1.5 (2006: 0.5) cents per fully paid ordinary share franked at the rate of 30% (2006: 30%)	2,316	753	2,316	753
	Final fully franked dividend of 0.5 (2006: Nil) cents per fully paid ordinary share franked at the rate of 30% (2006: 30%)	757	-	757	-
	Total dividends provided for or paid	3,073	753	3,073	753
(b)	**Dividends not recognised at year end**				
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 1.7 cents per fully paid ordinary share, (2006: 0.5 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 3 October 2007 out of profits for the year ended 30 June 2007, but not recognised as a liability at year end, is	3,081	757	3,081	757

(c) **Franked dividends**

The franked portions of the final dividends recommended after 30 June 2007 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2007.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2006 – 30%)	7,618	7,577	7,618	7,577

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;

(b) franking debits that will arise from the payment of dividends recognised at the reporting date; and

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact of the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $1,320,000 (2006: $324,000).

Notes to the Financial Statements
for the Year Ended 30 June 2007

Note 8: Earnings per Share

		Consolidated	
		2007	2006
		$'000	$'000
(a)	**Reconciliation of Earnings to Profit**		
	Profit	8,984	702
	Earnings used to calculate basic EPS and dilutive EPS	8,984	702
		Number	Number
(b)	**Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS**	154,170,944	173,437,462
	Weighted average number of options outstanding	3,921,125	184,589
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	158,092,069	173,622,051

(c) **Information concerning the classification of securities**

Options

Options granted to employees under the BSA Limited Employee Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 25.

Note 9: Cash And Cash Equivalents

		Consolidated		Parent Entity	
		2007	2006	2007	2006
	Note	$'000	$'000	$'000	$'000
Cash at bank and on hand		3,422	413	3,422	413
		3,422	413	3,422	413

Cash at bank and in hand is non-interest bearing.

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

	Note	Consolidated 2007	Consolidated 2006	Parent Entity 2007	Parent Entity 2006
Cash and cash equivalents		3,422	413	3,422	413
Bank overdrafts	17	(2)	(1)	(2)	(1)
Balances as per cash flow statement		3,420	412	3,420	412

Note 10: Trade and Other Receivables

		Consolidated		Parent Entity	
		2007	2006	2007	2006
	Note	$'000	$'000	$'000	$'000
CURRENT					
Trade receivables		17,160	12,002	17,160	12,002
Provision for doubtful debts		(308)	(356)	(308)	(356)
		16,852	11,646	16,852	11,646
Other receivables		10,925	9,292	10,925	9,292
Prepayments		344	449	344	449
		11,269	9,741	11,269	9,741
		28,121	21,387	28,121	21,387
NON-CURRENT					
Term receivables		170	239	170	239
Provision for doubtful debts		(96)	(95)	(96)	(95)
		74	144	74	144
Other receivables	(a)	1,029	1,119	1,029	1,119
		1,103	1,263	1,103	1,263

(a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

Note 11: Inventories

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
CURRENT				
At cost				
Raw materials and stores	3,532	3,004	3,532	3,004
Finished goods	94	66	94	66
	3,626	3,070	3,626	3,070
At net realisable value				
Raw materials and stores	-	29	-	29
	-	29	-	29
	3,626	3,099	3,626	3,099

Write-down of inventories to net realisable value during the current financial year amounted to Nil (2006: $830,041).

Notes to the Financial Statements

for the Year Ended 30 June 2007

	Consolidated 2007	Consolidated 2006	Parent Entity 2007	Parent Entity 2006
	$'000	$'000	$'000	$'000

Note 12: Property, Plant & Equipment

	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Buildings				
Leasehold improvements				
At cost	1,003	884	1,003	884
Less accumulated amortisation	(691)	(537)	(691)	(537)
	312	347	312	347
Plant and equipment				
At cost	7,686	6,606	7,686	6,606
Less accumulated depreciation	(5,639)	(4,898)	(5,639)	(4,898)
	2,047	1,708	2,047	1,708
Hire purchase assets				
At Cost	58	58	58	58
Less accumulated amortisation	(32)	(23)	(32)	(23)
	26	35	26	35
Total Owned Plant and Equipment	2,073	1,743	2,073	1,743
Capitalised Leased Plant and Equipment				
At cost	2,118	1,726	2,118	1,726
Less accumulated amortisation	(759)	(598)	(759)	(598)
	1,359	1,128	1,359	1,128
Total Property, Plant and Equipment	3,744	3,218	3,744	3,218

Movements in Carrying Amounts

Movements in the carrying amounts of each class of property, plant & equipment between the beginning and the end of the financial year.

2007	Note	Leasehold improvements	Plant & Equipment	Leased Plant & Equipment	Total
		$'000	$'000	$'000	$'000
Economic Entity					
Balance at the beginning of year		347	1,743	1,128	3,218
Additions		129	1,283	717	2,129
Disposals		(1)	(56)	(175)	(232)
Depreciation/amortisation	3	(163)	(897)	(311)	(1,371)
Carrying amount at the end of year		312	2,073	1,359	3,744

		Consolidated		Parent Entity	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
Parent Entity					
Balance at the beginning of year		347	1,743	1,128	3,218
Additions		129	1,283	717	2,129
Disposals		(1)	(56)	(175)	(232)
Depreciation/amortisation	3	(163)	(897)	(311)	(1,371)
Carrying amount at the end of year		312	2,073	1,359	3,744
2006					
Economic Entity					
Balance at the beginning of year		311	1,662	1,005	2,978
Additions		236	872	387	1,495
Disposals		-	(4)	(15)	(19)
Depreciation/amortisation	3	(200)	(796)	(240)	(1,236)
Transfers		-	9	(9)	-
Carrying amount at the end of year		347	1,743	1,128	3,218
Parent Entity					
Balance at the beginning of year		311	1,662	1,005	2,978
Additions		236	872	387	1,495
Disposals		-	(4)	(15)	(19)
Transfers from controlled entities					-
Depreciation/amortisation	3	(200)	(796)	(240)	(1,236)
Transfers		-	9	(9)	-
Carrying amount at the end of year		347	1,743	1,128	3,218

Notes to the Financial Statements
for the Year Ended 30 June 2007

		Consolidated		Parent Entity	
		2007	2006	2007	2006
	Note	$'000	$'000	$'000	$'000

Note 13: Tax

(a) Liabilities					
CURRENT					
Income Tax		2,644	245	2,644	245
NON-CURRENT					
Deferred tax liability comprises:					
Other	(c) (ii)	122	77	122	77
		122	77	122	77
(b) Assets					
Deferred tax assets comprise:					
Provisions	(c) (iii)	689	825	689	825
		689	825	689	825
(c) Reconciliations					
(i) Gross Movements					
The overall movement in the deferred tax account is as follows:					
Opening balance		748	471	748	471
(Credit)/debit to income statement		(181)	277	(181)	277
Closing balance		567	748	567	748
(ii) Deferred Tax Liability					
Deferred tax liabilities comprise temporary differences					
Amounts recognised in profit and loss					
Prepayments		-	(32)	-	(32)
Finance lease		45	27	45	27
Under/over provision		-	25	-	25
Total deferred tax liabilities		45	20	45	20

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
(iii) Deferred Tax Assets					
Deferred tax assets comprise temporary differences attributable to:					
Amounts recognised in profit and loss					
Doubtful debts		(14)	5	(14)	5
Employee benefits		66	76	66	76
Retirement benefit obligations		44	(17)	44	(17)
Foreign exchange gains/losses – unrealised		3	(6)	3	(6)
Accruals		14	(11)	14	(11)
Provision for obsolescence		(249)	124	(249)	124
Over/(under) provision		-	126	-	126
Total deferred tax assets		(136)	297	(136)	297

Deferred tax assets recognised do not exceed taxable amounts arising from the reversal of existing assessable temporary differences.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

Note 14: Non-current Assets – Intangible Assets

	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Goodwill at deemed cost	1,543	1,543	1,543	1,543
Goodwill on consolidation	11,482	11,482	-	-
Less accumulated impairment losses at deemed cost	(1,535)	(1,535)	-	-
Total Non-Current Intangible Assets	11,490	11,490	1,543	1,543

	Goodwill
	$000
Consolidated Entity	
Year ended 30 June 2006	
Balance at the beginning of year	12,990
Impairment losses	(1,500)
Closing carrying value at 30 June 2006	11,490
Year ended 30 June 2007	
Balance at the beginning of year	11,490
Impairment losses	-
Closing carrying value at 30 June 2007	11,490

Goodwill has an infinite life.

Impairment Disclosures

Goodwill is allocated to cash-generating units which are based on the group's reporting segments.

CGU	2007	2006
	$'000	$'000
Telecommunications and Broadcasting	-	-
Subscription TV and Free to Air	11,490	11,490
Total	11,490	11,490

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period with the period extending beyond five years extrapolated using an estimated growth rate. The cash flows are discounted using the yield of 10 year government bonds at the beginning of the budget period.

The following assumptions were used in the value-in-use calculations:

CGU	2007	2007	2006	2006
	Growth Rate	Discount Rate	Growth Rate	Discount Rate
Telecommunications and Broadcasting	3.00%	12.45%	3.00%	12.45%
Subscription TV and Free to Air	3.00%	12.45%	3.00%	12.45%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

Impact of possible changes to key assunptions

Because the value-in-use amount of remaining goodwill far exceeds the deemed book cost of goodwill in the relevant CGU, management does not believe that any change in key assumptions would have any material effect on the recoverable amount of the goodwill.

		Consolidated		Parent Entity
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

Note 15: Controlled Entities Consolidated

Shares in subsidiaries	-	-	-	-

Details of Group Companies	Country of incorporation	Class of Shares	Percentage Owned (%)	
			2007	2006
Parent Entity:				
BSA Limited			-	-
Ultimate Parent Entity:				
BSA Limited	Australia		-	-
Controlled Entites:				
Mr Broadband Pty Limited	Australia	Ordinary	100	100
Mr Antenna Pty Limited	Australia	Ordinary	100	100
Satellite Receiving Systems (QLD) Pty Limited	Australia	Ordinary	100	100
Mr Alarms Pty Limited	Australia	Ordinary	100	100
Evcom Australia Pty Limited	Australia	Ordinary	100	100
BSA Transmission Solutions Pty Limited	Australia	Ordinary	100	100
Triple M Group Pty Limited (2)	Australia	Ordinary	100	100
Water Tank Installations Pty Limited (1)	Australia	Ordinary	100	100

Formerly

(1) Broadcast Services Australia Share Plans Pty Limited.

(2) Hotwater Australia Pty Limited

		Consolidated		Parent Entity
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

Note 16: Trade and Other Payables

CURRENT				
Trade payables	3,377	3,594	3,377	3,594
Other payables	8,934	7,382	8,934	7,382
Total Payables	12,311	10,976	12,311	10,976

Notes to the Financial Statements

for the Year Ended 30 June 2007

		Consolidated		Parent Entity	
		2007	2006	2007	2006
	Note	$'000	$'000	$'000	$'000
Note 17: Borrowings					
CURRENT					
Secured liabilities:					
Bank overdrafts	(a)	2	1	2	1
Bills of exchange and promissory notes	(a)	-	1,570	-	1,570
Hire purchase liabilities	(b), 21	10	21	10	21
Lease liabilities	(b), 21	363	256	363	256
Total Borrowings		375	1,848	375	1,848
NON-CURRENT					
Hire purchase liabilities	(b), 21	11	21	11	21
Lease liabilities	(b), 21	963	783	963	783
Total Borrowings		974	804	974	804

(a) The bank overdrafts of the group 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 $11,450,000 between the parent entity and its subsidiaries.

The covenants within the bank borrowings require minimum interest cover of 5 times, minimum capital adequacy of 40% and outstanding debit balance not to exceed 70% of debtors less than or equal to 60 days.

Bank overdrafts and bills of exchange and promissory notes are repayable on demand and currently bear interest at a floating rate of 7.50% (2006 : 7.50%).

(b) Lease liabilities and hire purchase liabilities are effectively secured as the rights to the assets recognised in the financial statements revert to the financier in the event of default.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Note 18: Provisions				
NON-CURRENT	356	320	356	320

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 19: Contributed Equity

(a) Share Capital		Parent Entity		Parent Entity	
		2007	2006	2007	2006
	Note	Number of Shares	Number of Shares	$'000	$'000
Ordinary shares – fully paid	(c)	156,726,408	151,249,701	49,477	47,601

(b) Movements in ordinary share capital

Date	Details		Number of Shares	Issue Price $	$'000
1 July 2006	Opening Balance		151,249,701		47,601
28 July 2006	Conversion of Debt to Equity		150,000	0.25	38
15 September 2006	Dividend Reinvestment Plan	(f)	1,268,111	0.22	279
13 October 2006	Shares issued under Executive Securities Plan	(e)	700,000	0.23	161
	Effect of present value on Executive Securities Plan				(28)
16 March 2007	Options converted to shares	(d)	1,000,000	0.20	200
16 March 2007	Dividend Reinvestment Plan	(f)	2,158,596	0.55	1,187
25 May 2007	Options converted to shares	(d)	200,000	0.26	52
			156,726,408		49,490
	Costs of equity raising		-		(13)
			156,726,408		49,477

(c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

The costs of raising the share capital in the year ended 30 June 2007 totalled $12,957. Pursuant to the policy described in Note 1(o), the cost has been deducted from issued capital.

(d) Options

Information relating to the BSA Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 25.

(e) Executive Securities Plan

The company has established an executive securities plan as a mechanism to provide the company's key executives with a direct equity involvement and incentive in the company which aligns them with the shareholders.

(f) Dividend Reinvestment Plan

The company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a 5% discount to the average market price.

Notes to the Financial Statements

for the Year Ended 30 June 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Note 20: Reserves and Accumulated Losses				
(a) Reserves				
Share-based payment reserve	1,146	945	1,146	945
	1,146	945	1,146	945

Note 21: Commitments

(i) Operating Lease Commitments

The Group leases various offices and warehouses under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:					
Within one year		1,014	727	1,014	727
Later than one year but not later than five years		1,994	849	1,994	849
Later than five years		-	-	-	-
		3,008	1,576	3,008	1,576

(ii) Finance Lease Commitments

The Group leases various plant and equipment with a carrying amount of $1,359,000 (2006: $1,128,000) under finance leases expiring within one to four years. Under the terms of the leases, the Group has the option to acquire the leased assets after paying the residual amount on expiry of the leases.

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Commitments in relation to finance leases are payable as follows:					
Within one year		496	319	496	319
Later than one year but not later than five years		1,017	881	1,017	881
Later than five years		-	-	-	-
Minimum lease payments		1,513	1,200	1,513	1,200
Less future finance charges		(187)	(161)	(187)	(161)
Total Lease Liability		1,326	1,039	1,326	1,039
Represented by:					
Current liability	17	363	256	363	256
Non-current liability	17	963	783	963	783
		1,326	1,039	1,326	1,039

		Note	Consolidated 2007 $'000	Consolidated 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
(iii)	**Hire Purchase Commitments**					
	The Group has purchased various plant and equipment with a carrying amount of $26,000 (2006: $35,000) under hire purchase agreements expiring within one to four years. Under the terms of the agreements, the Group has the option to acquire the assets after paying the residual amount on expiry of the agreements.					
	Commitments in relation to hire purchase agreements are payable as follows:					
	Within one year		11	23	11	23
	Later than one year but not later than five years		11	23	11	23
	Later than five years		-	-	-	-
	Minimum payments		22	46	22	46
	Less future finance charges		(1)	(4)	(1)	(4)
	Total Hire Purchase Liability		21	42	21	42
	Represented by:					
	Current liability	17	10	21	10	21
	Non-current liability	17	11	21	11	21
			21	42	21	42
(iv)	**Remuneration Commitments**					
	Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:					
	Within one year		483	730	483	730
	Later than one year and not later than five years		102	914	102	914
	Later than five years		-	-	-	-
			585	1,644	585	1,644

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personel referred to in Note 5 that are not recognised as liabilities and are not included in the key management personnel compensation.

Note 22: Contingencies

Contingent Liabilities

The parent entity and controlled entities had contingent liabilities at 30 June 2007 in respect of:

Guarantees

Guarantees given in respect of leasing facilities amounting to $1,338,251 (2006 – $1,045,414) secured by fixed and floating charge to the bank over the assets of the consolidated entity and secured guarantees given in respect of:

(a) office leases amounting to $249,635 (2006 – $302,468).

(b) performance of certain contracts amounting to $700,000 (2006 – $750,000).

Notes to the Financial Statements
for the Year Ended 30 June 2007

Note 23: Segment Information

Business and Geographic Segments

Business segments

The consolidated entity is organised into the following industry segments.

Telecommunications and Broadcasting

Provides solutions, equipment and contracting services to the telecommunications and broadcast industries.

Subscription TV and Free to Air

Performs satellite installation to the subscription television and communication industry, delivery of bundled services over hybrid fibre coax network, installation of free to air television antennas and security systems.

Geographic segments

The consolidated entity currently operates in one geographic segment, being Australia.

Primary reporting – Business segments

2007	Telecommunications and Broadcasting	Subscription TV and Free to Air	Consolidated
	$'000	$'000	$'000
Sales to external customers	59,693	99,280	158,973
Other revenue	78	234	312
Total segment revenue	59,771	99,514	159,285
Segment result	5,602	7,321	12,923
Income tax expense			(3,939)
Net profit			8,984
Segment assets	12,583	39,612	52,195
Segment liabilities	2,285	14,497	16,782
Acquisition of property, plant and equipment, intangibles and other non current segment assets	1,040	1,089	2,129
Depreciation and amortisation expenses	745	626	1,371
Other non-cash expenses	-	201	201

Primary reporting – Business segments

2006	Telecommunications and Broadcasting	Subscription TV and Free to Air	Consolidated
	$'000	$'000	$'000
Sales to external customers	51,424	79,140	130,564
Other revenue	11	43	54
Total segment revenue	51,435	79,183	130,618
Segment result	257	1,366	1,623

Primary reporting – Business segments (cont'd)

2006	Telecommunications and Broadcasting	Subscription TV and Free to Air	Consolidated
	$'000	$'000	$'000
Income tax expense			(921)
Net profit			702
Segment assets	4,670	37,025	41,695
Segment liabilities	1,358	12,912	14,270
Acquisition of property, plant and equipment, intangibles and other non current segment assets	227	1,268	1,495
Depreciation and amortisation expenses	564	672	1,236
Other non-cash expenses	1,500	457	1,957

Secondary reporting – Geographical segments

	Segment Revenues		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment Assets	
	2007	2006	2007	2006	2007	2006
	$'000	$'000	$'000	$'000	$'000	$'000
Australia	159,285	130,618	52,195	41,695	2,129	1,495

Accounting Policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1 and Accounting Standard AASB 114 Segment Reporting.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings.

Impairment Losses

There was no impairment loss relating to goodwill recognised as an expense (2006: $1,500,000).

Share-based Payment Expense

A share-based payment expense amounting to $201,359 (2006: $456,485) relating to options granted to certain employees was recognised as an expense.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

Note 24: Cash Flow Information

(a) Reconciliation of profit after income tax to net cash flows				
Profit for the year	8,984	702	8,984	2,202
Depreciation and amortisation	1,371	1,236	1,371	1,236
Impairment of goodwill	-	1,500	-	-
Share-based payment expense	201	457	201	457
Net proft on sale of non-current assets	(68)	(1)	(68)	(1)
Change in operating assets and liabilities				
(Increase)/decrease in trade receivables	(5,207)	2,560	(5,207)	2,560
(Increase) in inventories	(526)	(396)	(526)	(396)
Decrease/(increase) in deferred tax asset	136	(297)	136	(297)
(Increase) in other operating assets	(1,251)	(6,420)	(1,251)	(6,420)
(Decrease) in trade payables	(217)	(1,409)	(217)	(1,409)
Increase in other operating liabilities	968	1,738	968	1,738
Increase in provision for income taxes payable	2,399	37	2,399	37
Increase in provision for deferred taxes payable	45	20	45	20
Increase in provisions	224	73	224	73
Cashflow from operations	7,059	(200)	7,059	(200)

(b) Non-cash Financing and Investing Activities

(i) During the year the economic entity acquired plant and equipment with an aggregate value of $717,000 (2006: $388,000) by means of finance leases. These acquisitions are not reflected in the cash flow statement.

(ii) During the year the economic entity issued shares under the Executive Securities Plan with a value of $133,000 (2006: $807,000) by means of a loan. This issue is not reflected in the cash flow statement.

(iii) During the year the economic entity paid a dividend and certain holders of ordinary shares elected to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. This amounted to $1,467,000 (2006: $193,000).

(c) Credit Standby Arrangements with Banks				
Credit facility	10,000	10,000	10,000	10,000
Amount utilised	-	(1,571)	-	(1,571)
Unused credit facility	10,000	8,429	10,000	8,429

The major facility is summarised as follows:

Working Capital Facility

The facility is reviewed annually by the bank. Interest rates are variable. The current rate is 7.50% (2006: 7.50%).

Finance will be provided under the facility provided the company and the consolidated entity have not breached any borrowing requirements and the required financial ratios are met.

(d) Guarantees

Guarantees given in respect of the above facility of which Nil was utilised at 30 June 2007 (2006: $1,571,430), are secured by fixed and floating charge to the bank over the assets of the company together with guarantees in favour of the parent given by all controlled entities.

Note 25: Share-based Payments

(a) **Employee Option Plan**

The establishment of the BSA Limited Employee Option Plan was approved by shareholders at the 2004 annual general meeting. Staff eligible to participate are those who are full time or permanent part-time employees of any company in the group, including an executive director and non-executive director of the company and whom the Board of Directors has sole discretion to determine to be eligible to participate but does not include a person who has a relevant interest in greater than 5% of the issued ordinary share capital of the company.

The exercise price and exercise period applicable to any options to be offered under the Option Plan will, at or before the time of issuing an invitation to eligible employees to subscribe for options, be determined by the Board in its absolute discretion.

Subject to any restrictions in the Listing Rules or the *Corporations Act 2001*, the Board may in its absolute discretion impose on the options such other terms as it considers appropriate.

As soon as practicable after receipt of a valid notice of exercise of an option together with the exercise price the company will allot the appropriate number of ordinary shares. Any shares issued on the exercise of the options granted pursuant to the resolution will be officially quoted and will rank equally with all other shares on issue in the company and all the rights and entitlements of the holders in respect of those shares will be identical to the rights and entitlements of the holders of the currently issued shares in the company.

Options can only be exercised after three years if the employee remains in the employment of the company and the option will then expire two years after this date. If the employee terminates their employment within the three years, the option is exercisable for twelve months from the date after termination. If the company is subject to a takeover the option will vest and be exercisable for a period of three months.

Options may not be transferred, though prior to issue a nominee may be advised for consideration by the Board.

Set out below are summaries of options granted under the plan:

Grant Date	Expiry Date	Exercise Price (cents)	Balance at Start of the Year	Granted During the Year	Exercised During the Year	Forfeited During the Year	Balance at End of Year	Exercisable at End of the Year
			Number	Number	Number	Number	Number	Number
Consolidated and parent entity - 2007								
25 Nov 2003	30 Jun 2007	0.20	1,000,000	-	(1,000,000)	-	-	-
28 Jun 2004	10 Nov 2009	0.26	333,334	-	-	-	333,334	333,334
28 Jun 2004	10 Nov 2010	0.26	333,333	-	-	-	333,333	333,333
28 Jun 2004	10 Nov 2011	0.26	333,333	-	-	-	333,333	333,333
28 Jun 2004	30 Jun 2008	0.26	200,000	-	(100,000)	-	100,000	100,000
28 Jun 2004	30 Jun 2009	0.26	200,000	-	(100,000)	-	100,000	100,000
28 Jun 2004	30 Jun 2010	0.26	200,000	-	-	-	200,000	200,000
25 Nov 2004	25 Nov 2009	0.47	6,000,000	-	-	-	6,000,000	4,000,000
Total			8,600,000	-	(1,200,000)	-	7,400,000	5,400,000
Weighted average exercise price			0.40	0.00	0.21	0.00	0.43	0.42
Consolidated and parent entity - 2006								
25 Nov 2003	30 Jun 2007	0.20	1,250,000	-	(250,000)	-	1,000,000	1,000,000
28 Jun 2004	10 Nov 2009	0.26	333,334	-	-	-	333,334	333,334
28 Jun 2004	10 Nov 2010	0.26	333,333	-	-	-	333,333	333,333
28 Jun 2004	10 Nov 2011	0.26	333,333	-	-	-	333,333	-
28 Jun 2004	30 Jun 2008	0.26	200,000	-	-	-	200,000	200,000
28 Jun 2004	30 Jun 2009	0.26	200,000	-	-	-	200,000	200,000
28 Jun 2004	30 Jun 2010	0.26	200,000	-	-	-	200,000	-
25 Nov 2004	25 Nov 2009	0.47	6,000,000	-	-	-	6,000,000	2,000,000
Total			8,850,000	-	(250,000)	-	8,600,000	4,066,667
Weighted average exercise price			0.39	0.00	0.20	0.00	0.40	0.35

Other model inputs for options granted included:

- expected price volatility of the company's shares: 50% (2006 – 50%)

- expected dividend yield: 0% (2006 – 0%)

- risk-free interest rate: 5.00% to 5.18% (2006 – 5.00% to 5.18%)

There were 1,200,000 options exercised during the year ended 30 June 2007. These options had a weighted average share price of 21 cents at exercise date.

The options outstanding at 30 June 2007 had a weighted average exercise price of 43 cents and a weighted average remaining contractual life of 2.5 years. Exercise prices range from 26 cents to 47 cents in respect of options outstanding at 30 June 2007.

Fair value of options granted

There have been no options granted since 25 November 2004.

Included under employee benefits expense in the income statement is $201,359 (2006: $456,485), which relates, in full, to equity-settled share-based payment transactions.

(b) Employee Share Scheme

A scheme under which shares were issued by the company to employees for no cash consideration was ratified by shareholders at the 2004 annual general meeting. All permanent employees (including executve directors) who were continuously employed by the consolidated entity for a period of at least one year were eligible to participate in the scheme. Employees could elect not to participate in the scheme.

Under the scheme, eligible employees were offered $1,000 worth of fully-paid ordinary shares in BSA Limited for the Year Ended 30 June 2004 for no cash consideration. The market value of shares issued under the scheme, measured as the weighted average market price on the day of issue of the shares, was recognised in the statement of financial position as share capital and as part of employee benefit cost.

Offers under the scheme are at the discretion of the company. No offers were made during year the ended 30 June 2007.

Shares under the scheme may not be sold until the earlier of three years after issue or cessation of employment with the consolidated entity. In all other aspects the shares rank equally with other fully-paid ordinary shares on issue (see Note 19 (c)).

The number of shares issued to participants in the scheme is the offered amount divided by the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the date of the offer.

(c) Executive Securities Plan

The establishment of the BSA Executive Securities Plan was approved by shareholders at the 2005 annual general meeting. The Plan was established as a mechanism to provide the Company's key executives with a direct equity involvement and incentive in the Company which aligns them with the shareholders.

The number of Securities to be offered and the time at which Securities may be offered from time to time to executives and the price and terms of payment, shall be determined by the Board in its discretion.

The Board may at such times as it determines invite any executive to be a member of the Plan.

If an executive to whom an Invitation has been issued forwards to the Company a duly completed Loan Application and the Transfer Documents together with his acceptance, and where appropriate his Application for Shares, then the Company shall, in accordance with the terms of the Loan Agreement, lend to the executive such amount as the executive has applied for in the Loan Application.

The maximum amount of any Loan shall be the total subscription price for the Shares applied for.

No interest is payable by the Borrower under the Loan Agreement.

An executive shall not sell, mortgage, charge, assign or otherwise dispose of or encumber any Shares before payment or repayment of any amount outstanding to the Company in respect thereof.

Subject to the above restriction and to the terms of the Loan Agreement (if any) deemed to be entered into by the executive, an executive shall from the Date of Allotment, be the absolute beneficial owner of the Shares.

Unless the Directors of the Company otherwise provide in the terms of any Invitation, all Plan Shares shall rank for dividends declared on or after the Date of Allotment and shall in all respects rank equally with and have the same rights and entitlements as all other fully paid ordinary shares of the Company.

Set out below are summaries of Securities accepted under the plan:

Grant Date	Expiry Date	Issue Price (cents)	Balance at Start of the Year	Granted During the Year	Released from Escrow During the Year	Balance in Escow at End of the Year
			Number	Number	Number	Number
Consolidated and parent entity						
13 Oct 2006	12 Oct 2009	0.23	-	700,000		700,000
12 Jan 2006	11 Jan 2009	0.24	4,000,000	-	-	4,000,000
Total			4,000,000	700,000	-	4,700,000

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

Note 26: Events Occurring After Reporting Date

(a) On 1 August 2007, the Group acquired 100% of the issued capital of Triple M Mechanical Services Pty Ltd and associated companies, which designs, manufactures and installs mechanical services including air conditioners, heating, ventilation, refrigeration and sheet metal fabrication for a purchase consideration of $43,052,000.

The purchase of all the issued shares in the company was satisfied by the issue of 21,103,822 ordinary shares at an issue price of 68.0 cents each and the payment of $28,701,000. The issue price was based on the lower of the volume weighted average market price of the ordinary shares of BSA Limited on the ASX for the 40 trading day period ending on the trading day 2 Business Days prior to the date of the Share Sale Agreement and 68.0 cents. The financial effect of this transaction has not been brought to account in the 2007 financial report.

Purchase consideration	43,052,000	-	-	-
Cash consideration	28,701,000	-	-	-
Equity consideration	14,351,000	-	-	-
Total purchase	43,052,000	-	-	-
Fair value of assets acquired (see below)	4,991,000	-	-	-
Goodwill	38,061,000	-	-	-
	43,052,000	-	-	-
Assets and liabilities held at acquisition date (unaudited):				
Cash and cash equivalents	3,704,000	-	-	-
Receivables	14,281,000	-	-	-
Inventories	183,000	-	-	-
Property, plant and equipment	2,999,000	-	-	-
Payables	(16,176,000)	-	-	-
Net assets acquired	4,991,000	-	-	-
Purchase consideration settled in cash	28,701,000	-	-	-
Cash and cash equivalents in subsidiary acquired	(3,704,000)	-	-	-
Cash outflow on acquisition	24,997,000	-	-	-

The above goodwill is attributable to Triple M's strong position and competitive advantage in the building services market.

Had the unaudited results relating to Triple M been consolidated from 1 July 2006, consolidated revenue would have been $241,671,000 and consolidated profit $13,112,000 for the year ended 30 June 2007.

(b) In September 2007, Telstra Limited advised BSA Limited that the current contract for the provision of installation and maintenance services on its "copper" network would not be reviewed at its expiration on 30 June 2008. Whilst BSA Limited will not provide these services as the prime contractor post June 2008, BSA has commenced negotiations with the successful bidders with the view of securing future work volumes by providing installation and maintenance services directly to them under a subcontracting arrangement.

(c) In September 2007, BSA was successful in securing the Consumer HFC Installation Maintenance and Service Contract with OPTUS (Singapore Telecommunications Ltd). The contract is for a term of two years with revenues expected to be in excess of $30 million. This contract equates to approximately 50% of the available work under the contract and establishes BSA as a major service provider to OPTUS in its entire HFC network in Sydney, Melbourne and Brisbane.

Notes to the Financial Statements

for the Year Ended 30 June 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

Note 27: Related Party Transactions

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

Transactions with related parties:

Key management personnel				
Disclosures relating to directors and specified executives are set out in Note 6.				
Consultancy fees were paid paid to M Givoni	35	-	35	-
Consultancy fees were paid paid to P Teisseire	35	-	35	-

Note 28: Financial Instruments

(a) Financial Risk Management

Activities undertaken by BSA Limited and its subsidiaries may expose the Group to liquidity risk and credit risk. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

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

The economic entity does have material credit risk exposure to a group of receivables in respect of major customers. However, Group policy is that sales are only made to customers that are credit worthy.

(b) Interest Rate Risk Exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

The group's financial instruments consists mainly of deposits with banks, accounts receivable and payable, bills and leases.

			Fixed Interest Rate Maturing				
2007		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-Interest bearing	Total
	Note	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets							
Cash and deposits	9	3,362	-	-	-	60	3,422
Receivables	10	-	-	-	-	29,224	29,224
		3,362	-	-	-	29,284	32,646
Financial Liabilities							
Bills of exchange and promissory notes	17	-	-	-	-	-	-
Bank overdrafts	17	2	-	-	-	-	2
Trade and other payables	16	-	-	-	-	12,311	12,311
Lease and hire purchase liabilities	17	-	373	974	-	-	1,347
		2	373	974	-	12,311	13,660
Weighted average interest rate		6.6%	7.5%	7.5%			
Net financial assets/(liabilities)		3,360	(373)	(974)	-	16,973	18,986

			Fixed Interest Rate Maturing				
2006		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-Interest bearing	Total
	Note	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets							
Cash and deposits	9	405	-	-	-	8	413
Receivables	10	-	-	-	-	22,650	22,650
		405	-	-	-	22,658	23,063
Financial Liabilities							
Bills of exchange and promissory notes	17	1,570	-	-	-	-	1,570
Bank overdrafts	17	1	-	-	-	-	1
Trade and other payables	16	-	-	-	-	10,976	10,976
Lease and hire purchase liabilities	17	-	277	804	-	-	1,081
		1,571	277	804	-	10,976	13,628
Weighted average interest rate		7.0%	7.5%	7.5%			
Net financial assets/(liabilities)		(1,166)	(277)	(804)	-	11,682	9,435

(c) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts.

Note 29: Economic Dependency

BSA Limited derives 92% (2006: 85%) of its revenue from its major clients Foxtel, Austar, Telstra and Optus and is dependent on those entities' ability to both maintain and attract subscribers.

Note 30: Corporate Information

The financial report of BSA Limited for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 26 September 2007 and covers BSA Limited as an individual entity as well as the consolidated entity consisting of BSA Limited and its subsidiaries as required by the *Corporations Act 2001*.

The financial report is presented in Australian currency.

The address of the registered office and principal place of business is:

Unit 11, 79-99 St Hilliers Road
Auburn NSW 2144

directors' declaration

The directors of the company declare that:

1. The financial statements, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:

   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 2007 and of the performance for the year ended on that date of the company and the consolidated entity.

2. In the directors' 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.

3. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by;

Brian Baldwin
Director

Paul Teisseire
Director
Dated this 26th of September 2007

BDO Kendalls

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INDEPENDENT AUDITOR'S REPORT

To the members of BSA Limited (formerly Broadcast Services Australia Limited)

Report on the Financial Report

We have audited the accompanying financial report of BSA Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of BSA Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

BDO Kendalls

Auditor's Opinion

In our opinion:

(a) The financial report of BSA Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30June 2007 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001; and*

(b) The consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

BDO Kendalls

BDO Kendalls
Chartered Accountants

David McLean
Partner

Dated Sydney, this 26th day of September 2007

shareholder information

The shareholder information set out below was applicable as at 31 August 2007.

A. Distribution of Equity Securities

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

	Number of Holders	Ordinary Shares
1 to 1,000	171	101,063
1,001 to 5,000	634	1,870,419
5,001 to 10,000	244	1,939,992
10,001 to 100,000	329	10,042,947
100,001 and above	94	165,475,809
	1,472	179,430,230

There were 94 (2006: 384) holders of less than a marketable parcel of ordinary shares.

B. Equity Security Holders

Twenty largest quoted equity security holders

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

Name of Holder	Ordinary Shares	
	Number Held	Percentage of Issued Shares
Birketu Pty Ltd	32,022,002	17.85%
Link Enterprises (Holdings) Pty Ltd	19,778,962	11.02%
J P Morgan Nominees Australia Limited	9,920,839	5.53%
Mr Mark Foley	8,545,976	4.76%
Cogent Nominees Pty Limited	7,812,323	4.35%
Mr Greg Mullane	7,548,743	4.21%
Setlobe Pty Ltd Lowe Family A/c	7,392,405	4.12%
Rumdab Pty Ltd Bowles Family A/c	6,370,655	3.55%
HSBC Custody Nominees (Australia) Limited	6,306,625	3.51%
ANZ Nominees Limited Cash Income A/C	5,877,500	3.28%
ANZ Nominees Limited Income Reinvest Plan A/c	4,080,330	2.27%
Mrs Helen Gandel Mr Tony Gandel	3,775,425	2.10%
Citicorp Nominees Pty Limited CFSIL CWLTH SML COS 1 A/C	3,401,469	1.90%
National Nominees Limited	3,311,668	1.85%
Citicorp Nominees Pty Limited CFSIL CWLTH SMALL CO 7	3,014,662	1.68%
Hawke & Tusk Pty Limited	2,879,512	1.60%
Mr Mark Lowe	2,511,869	1.40%
Citicorp Nominees Pty Limited	2,420,170	1.35%
Taloombi Pty Ltd	1,721,257	0.96%
Invia Custodian Pty Limited WAM Capital Limited A/c	1,481,159	0.83%
Top 20 Shareholders	140,173,551	78.12%

C. Substantial Shareholders

Substantial shareholders in the company are set out below:

Ordinary Shares	Number Held	Percentage
Birketu Pty Ltd	32,022,002	17.85%
Link Enterprises (Holdings) Pty Ltd	19,778,962	11.02%
J P Morgan Nominees Australia Limited	9,920,839	5.53%
Mr Mark Lowe controlled holdings	9,904,274	5.52%
Mr Greg Mullane controlled holdings	9,270,000	5.17%

D. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Option over an ordinary share
No voting rights

corporate directory

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Registered Office

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Website: www.bsa.com.au

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Auditor

BDO Kendalls Chartered Accountants
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Sydney NSW 2000

Banker

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