



BSA LIMITED



2008

ANNUAL REPORT

Contents

Chairman's Report	3
Managing Director's Report	5
Directors' Report	10
Remuneration Report	16
Corporate Governance Statement	25
Auditor's Independence Declaration	30
Financial Report	32
Shareholder Information	92
Corporate Directory	94

Chairman's Report

“ We are strengthening our executive team in the areas of business development and finance with the appointment of a Corporate Development Executive and a Chief Financial Officer. These are necessary investments to support our growth aspirations.

Since joining the board in May 2008 I have spent some time becoming familiar with the operations of the group. I am pleased to report that the group has undoubted capabilities in both of the group's business streams.

Chairman's Report

The contracting solutions business has a strong field force delivery capability supported by our Clarion system. In my experience this is the best Contractor Management system I have seen. Similarly, the Triple M business has a very strong design and installation capability in both mechanical and fire services. There is a strong focus on safety, quality and customer service in our management team.

The 2008 year was one of great achievement and some disappointment for the group. The acquisition and integration of Triple M was a milestone for the company. Notwithstanding our relative strength in both our business streams, our second half earnings were disappointing in the Contracting Solutions division and slightly below budget in the Triple M division. This overall result for the group was especially disappointing given the investment in the Triple M business after a well executed integration. This revenue volatility, largely beyond our management team's control, makes it difficult to deliver consistent earnings and value to our shareholders.

To address the issues of revenue volatility, earnings growth and Shareholder value, the Board is in the process of undertaking a strategic review of the business. The review is comprehensive and will address these issues and will result in the formulation of a simple business plan giving the group a focus on organic and acquisitive growth, reduction in revenue volatility over time and more consistent earnings whilst focusing on the maintenance of a sound balance sheet and appropriate dividend policy distribution.

The board, in conjunction with management, expects to have the review completed in early October and will communicate with shareholders at this time.

Your Board is very conscious of the very different operating environment in 2009 and is working with management to increase the focus on productivity, committed forward orders and containing cost.

In conjunction with this, we are strengthening our executive team in the areas of business development and finance with the appointment of a Corporate Development Executive and a Chief Financial Officer. These are necessary investments to support our growth aspirations.

I would like to thank my fellow directors, management, our employees and contractors for the 2008 year and look forward to working with the Board and management to deliver our strategic plan and a sound operating result in the 2009 financial year.

We look forward to 2009 as a year of solid progress and the continued support of shareholders.

Ross Johnston,
Chairman
Sydney
29 September 2008

Managing Director's Report

“Volumes continue to be strong and focus on increased productivity is the key to a successful year.”

“The relentless drive by our dedicated Management Team resulted in BSA securing and extending significant contracts and broadening relationships with major customers.

Managing Director's Report

Introduction

This past year has seen our Group grow to a plus \$200 million turnover company, an achievement, I as the Managing Director am very proud of. This exceptional growth was achieved by strategically acquiring the Triple M Group of Companies. This acquisition saw BSA diversify its operations into the Building Services sector, a very deliberate step and one which delivered over \$80 million in revenue during the year. More specifically Triple M designs, installs and maintains mechanical and fire services for many of Australia's largest building projects. The acquisition was completed in August 2007 and the company has been successfully integrated into the BSA group. Whilst this acquisition was the major driver of the revenue growth, we would not have been able to achieve this result if the core Contracting Solutions divisions, comprising our Subscription Television and Telecommunications business units, had not continued to perform to a consistent level. This was driven again by a record revenue year in our FOXTEL division.

The relentless drive by our dedicated Management Team resulted in BSA securing and extending significant contracts and broadening relationships with major customers. Their passion to deliver on the expectations of our customers has resulted in the group achieving an EBITDA result of \$16.1 million and a Net Profit After Tax of \$8.02 million. Whilst this result was down on our original expectations it was lower due to a number of individually significant items. These included;

- Costs associated with the Hills Industries Ltd unsuccessful merger and acquisition transaction;
- Inventory write offs in the second half of the year; and
- Higher expenditure and lower revenues realised by the business relating to the launch of FOXTEL's new Subscriber Management System.

We again generated significant cash from operations of \$13.5 million which was up by \$6.4 million when compared to last year. This result is representative of our strong focus in this area and supports our acquisition strategies moving into the new financial year.

Operations

The Contracting Solutions Division, comprising the telecommunications, subscription and free to air television business units continued to provide solid revenues during a year of consolidation. Having secured 50% of the OPTUS HFC works and a 2 year contract to provide installation and maintenance services to Telstra via SILCAR, all business units now have revenues secured for the immediate future. Operational performance continues to be very strong with Key Performance Indicators generally meeting our customers' expectations.

Overall Tickets of Work (TOW's) increased by 11% in the 2007/2008 financial year, up by 150,000 from 1,360,000 to 1,510,000. This was a notable achievement following the reduced volumes under the revised contractual arrangements for the installation and maintenance services provided to Telstra, which saw BSA provide these services to Telstra as a subcontractor to SILCAR.

The successful launch of the FOXTEL HD+ service offering has exceeded initial expectations. Many existing FOXTEL customers, referred to as "Early Adopters", have taken up the new product and upgraded their existing service and new customers are joining the platform taking up this exceptional product. These activities are complementing the existing services provided to FOXTEL and are now producing consistent work volumes in the FOXTEL division.

A major initiative undertaken during the year was to introduce a trainee program specifically designed to introduce new resources into the telecommunications and subscription television industry, which over recent years has been in desperate need of a new injection of talent. Utilising BSA Advanced Learning (BAL), our in house Registered Training Organisation, BSA has successfully trained and released over 70 new trainees to the field during the year, providing fresh and vital new resources to the industry.

BSA continues to be passionate about the global environment and during the year gained ISO 14001 Environmental Management certification. This is a testament to the exceptional work by management and staff and complements our previously earned ISO9001 accreditation for Quality Assurance and our ISO4801 accreditation in OH&S. Together, these are the foundation of BSA's OHS&E policies and procedures.

The Technical Services division continued its strong association with Tellabs across the period, assisting them with the continued growth of their equipment's presence in the Telstra network. This support encompassed the management of all new equipment coming into the country as well as the 24/7 technical support of the equipment in the Telstra network. Amongst other things, the division developed a leading procedure for the cleaning and commissioning of Optical Ports that was subsequently adopted by Telstra as standard practice. The division has played an important role in Tellabs continued success in Australia.

The Building Services division, comprising the Triple M Group which was acquired in August 2007, had a solid year in its first as a BSA Limited company. Initial focus was placed on the integration of the group into BSA. This was made easier by the cultural alignment of the two companies.

Triple M have also successfully established its WA operations and entered the Fire Services space in the QLD market place. In line with BSA's ISO 14001 certification of Environmental Management Triple M established a Sustainable Upgrades Division to focus on significant opportunities in sustainable building services upgrades in existing buildings including Green Star and National Australian Built Environment Rating System (NABERS) and Australian Building Greenhouse Rating (ABGR) refurbishments.



BSA has successfully trained and released over 70 new trainees to the field during the year, providing fresh and vital new resources to the industry.



The Building Services division, comprising the Triple M Group which was acquired in August 2007, had a solid year in its first as a BSA Limited company.

Notable Events during the Year were:

- The strategic acquisition of the Triple M Group of Companies in August 2007 signified a diversification of the business into the building services sector and added \$82.3 million in revenues and \$7.2 million in EBITDA contribution to the BSA Group.
- Securing the OPTUS HFC Services contract for the next 2 years which extended BSA's geographic coverage into Sydney and Melbourne. The contract is expected to generate revenues of approximately \$30 million over the term of the contract.
- Securing ongoing Telstra installation and maintenance works for a further 2 years under a "super" subcontractor arrangement with SILCAR, this contract being valued at approximately \$70 million in revenue.
- Strengthening of the strategic partnership with FOXTEL, through assuming some of the call centre activities and delivering on the requirements of the FOXTEL HD+ launch.
- In April 2008, Ross Johnston, formerly the Chief Executive Officer, Spotless Australian Services was appointed Chairman of the Board following the retirement of Brian Baldwin.
- Enhanced our capabilities and reputation in the growing Public Private Partnership (PPP) market place with the completion of the Justice Precinct project for Brookfield Multiplex valued at \$20M and the awarding of the Mechanical & Fire Services contracts for the Orange Hospital Public Private Partnership with Hansen Yuncken valued at \$13M.
- The Building Services division significantly was the HVAC supplier for Green Square North Tower development. This development was subsequently awarded an environmental rating of 6 Green Star, only the 2nd building in QLD to be awarded a 6 Star Green rating.
- Triple M was also awarded contracts with South Western Sydney Area Health Service for the maintenance of Chillers in their hospital portfolio and was successful in renewing the maintenance contracts for Suncorp Metway Stadium in Brisbane and ANZ Stadium in Sydney.
- The MR Group continued to provide solid return following last year's review of operations and the subsequent restructure. The focus on operational expenses ensured a solid result prevailed in the 2007/2008 financial year.
- BSA continues to encourage and assist all contractors to convert their vans to gas fuel supporting BSA's commitment to the environment.
- BSA continued its support for Young Care Limited, an organisation dedicated to providing accommodation for young people with high care needs.

2009 Outlook

The outlook for the new financial year is positive and BSA fully expects to deliver sustainable Revenues of \$250 million and an EBITDA margin in line with the 2008 financial year.

- A key change leading up to the new financial year has been the appointment of our new Chairman Ross Johnston. Mr Johnston is an extremely experienced executive having been engaged nationally and internationally for major corporations including, Lend Lease and Spotless Group Limited. Under his guidance, the board has commenced a strategic review of all operations which will determine the future direction of the Group and drive the delivery of our growth expectations. It is intended to update the market in October with the outcomes as more detailed strategic plans are finalised.
- Whilst BSA enjoys secure long term contracts in the telecommunications and subscription television divisions, a permanent tightening however in margins through competitive tender processes and pressure on costs has resulted in BSA being in line with its competitors in terms of EBITDA margin performance. This being said, volumes continue to be strong and focus on increased productivity is the key to a successful year.
- BSA will continue to competitively bid for new opportunities in the telecommunications/volume contracting space. Being viewed in the market as one of the leaders in the provision of these services, it is important for BSA to remain competitive and secure opportunities as they are presented. This will assist our strategy of driving organic growth.
- Further enhancing the relationship with FOXTEL and growing the range of services provided is an ongoing objective. The push for further work of this type supports the objective of driving volatility of earnings out of BSA.
- The Building Services division (Triple M) similarly seeks to capitalise on its strong "order book" to grow the business organically in existing markets and through expansion into other geographic regions. Additionally, BSA continues to identify potential strategic acquisitions in this space that will complement the overall growth strategy.

In conclusion the past year has been one which has seen the BSA successfully broaden its scope of operations into a new sector, Building Services, and grow revenues to \$243.9 million a significant achievement, and one that would not have been accomplished without the commitment of all the BSA management and staff who remain focused as always to provide exceptional customer service.

The new financial year presents an opportunity for BSA to consolidate its earnings with all our major contracts secured for the next 2 years providing a base to continue our organic and acquisitive growth strategies as we move forward. I look forward to continuing working with our new Chairman, the Board and all our staff in delivering solid returns to our shareholders in the coming year.

Mark Foley,

Managing Director
Sydney
29 September 2008

Financial Results were

- Revenue growth of 53.4% percent to \$243.9 million (2007: \$159.0 million). This great performance was driven through the acquisition of Triple M.
- Earnings before interest, tax and depreciation and amortisation (EBITDA) of \$16.1 million (2007: \$14.3 million).
- Net Profit After Income Tax (NPAT) amounted to \$8.02 million (2007: \$8.98million). The reported result was impacted by a number of non-recurring abnormal items.
- Operating Cash Flow has been well managed this year with operating cash flow before investing and financing showing an increase to \$13.5 million (2007: \$7.1 million)
- As a result of the challenging year the BSA directors concluded to declare a final dividend of 0.75 cents per share (2007: 1.7 cents).
- The company's equity position has also improved as a result of the acquisition of Triple M. Total assets of BSA have grown to \$109.8 million from \$52.2 million last year.
- Shareholder equity rose accordingly to \$53.3 million from \$35.4 million.
- Earnings per Share has fallen slightly from 5.68 cents per share to a 4.40 cents per share.
- As a result of market conditions, our market capitalisation decreased from \$119.1 million a year ago to a figure at 30 June 2008 of \$60.4 million.

Segment Results

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

1. Contracting Solutions
2. Building Services

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:

	Contracting Solutions		Building Services		Total	
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	161,830	159,285	82,617	-	244,447	159,285
Segment Result (pre tax)	7,442	12,923	4,294	-	11,736	12,923



Directors' Report

“ BSA has consistently delivered quality service and continues to lead in safety, training techniques and operational efficiency.”

The directors of BSA Limited (the 'Company') present their report on the Company and its subsidiaries for the financial year ended 30 June 2008.

Directors' Report

Directors

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

Ross Johnston – Chairman (Non-executive)

Ross is an extensively experienced executive having worked both internationally and domestically with Lend Lease for fifteen years. Ross had been the National General Manager, Property & Facilities and then Chief Executive Officer, Spotless Australian Services, the Australian arm of Spotless Group Limited. Mr Johnston has a focus on strategic development and brings his skills in building and repositioning major businesses to BSA. Ross joined the board on 29 April 2008 and was appointed as Chairman from that date.

Brian Baldwin – Retired Chairman (Non-executive)

Brian was non-executive chairman of BSA Limited until his retirement. He was appointed as a Director on 5 December 2002. He retired as Chairman and Director on 29 April 2008.

Mark Foley – Managing Director

Mark has over 17 years of management experience gained as principal in the electrical contracting field in addition to seven 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 (Retired)

Daniel was responsible for corporate and business development until his retirement. He was appointed Director of BSA Limited on 5 December 2002 and retired as executive and director on 26 November 2007.

Paul Teisseire - Non Executive Director

Paul is a professional independent non-executive director. He spent over 20 years in private practice as a corporate lawyer specialising in business and corporate law with a special interest in corporate governance. He is chairman of Austin Exploration Ltd and is also a non-executive director of Drake Foodmarkets, Gunns Ltd and Mesbon China Nylon Ltd. Until recently, Paul was also chairman of Auspine Ltd. Paul was appointed as a 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 Manager Corporate Development, 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 43 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 31 July 2007. Mark brings a wealth of knowledge to the company from his 20 years experience in the installation and maintenance of Air Conditioning and Fire Protection Services. He is a director of the Air Conditioning Mechanical Contractors Associations of NSW and Australia.

Director Independence

The board considers three of BSA's directors independent as defined under the guidelines of the ASX Corporate Governance Council being: Ross Johnston, 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 Principles and Recommendations (2nd Edition) 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 chairman of the Remuneration and Nominations committee.

Company Secretary

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

Mr Graham Seppelt - Graham has had extensive experience as a contract accountant and in corporate advisory roles. He is currently company secretary for Austin Exploration Limited, Legend Corporation Limited, Mesbon China Nylon Limited and Primary Resources Limited.

Principal Activities

The principal activities of the contracting solutions division during the whole of financial year were:

- Acting as national provider of contracting services, delivery installation and maintenance activities to the subscription television and telecommunications sector;
- The supply of TV aerials and related digital television communication / alarm equipment and services to the home, through franchise brands; and
- The provision of 24/7 second and third level engineering support, research and design functions primarily for the complex Telecommunications Carrier sector of the market.

On 1 August 2007, the company acquired the businesses of the Triple M Group of companies. The principal activities of that group during the year from the acquisition date were:

- The design, installation and maintenance of mechanical and fire services for many of Australia's largest building projects;
- Creating leading environmental and energy efficient design of mechanical services such as Heating, Ventilation, Air Conditioning (HVAC); and
- Installation and maintenance of fire services including protection, detection and suppression systems.

There were no other significant changes in the nature of the consolidated group's principal activities during the financial year.

Operating Results

BSA's total revenue for the year grew to \$243.9 million (2007 \$159.0m) with resultant earnings before interest, tax and depreciation (EBITDA) of \$16.1 million (2007 \$14.3m).

The net amount of profit of the consolidated entity for the financial year after income tax was \$8.02 million.

Although revenue increased by 53.4%, Net Profit after provision for Income Tax (NPAT) decreased to \$8.02 million (2007 \$9.0m). The decrease in profit is attributed to a number of non-recurring abnormal items which included the following;

- Costs associated with the Hills Industries Ltd (ASX Code: HIL) unsuccessful merger and acquisition transaction;
- Inventory write off; and
- Higher expenditure and lower revenues realised by the business relating to the launch of FOXTEL's new Subscriber Management System.

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

Interim ordinary fully franked dividend of 3.5 cents per share paid on 15 April 2008 (\$6,463,930)

Final ordinary fully franked dividend of 0.75 cents per share recommended by directors to be paid on 3 October 2008 (\$1,415,273)

Earnings Per Share

	2008	2007
Basic earnings per share	4.41 cents	5.83 cents
Diluted earnings per share	4.40 cents	5.68 cents

Review of Operations

The Contracting Solutions Division, comprising the telecommunications, subscription and free to air television business units continued to provide solid revenues during a year of consolidation as further described in the Managing Director's report.

The Technical Services division continued its strong association with Tellabs across the period, assisting them with the continued growth of their equipment's presence in the Telstra network. The division has played an important role in Tellabs continued success in Australia.

The Building Services division, comprising the Triple M Group which was acquired in August 2007 had a solid year in its first as a BSA Limited company. Initial focus was placed on the integration of the group into BSA. This was made easier by the cultural alignment of the two companies.

Triple M has also successfully established its WA operations and entered the Fire Services space in the QLD market place.



The successful launch of the FOXTEL HD+ service offering has exceeded initial expectations.

- Mark Foley

Notable events during the year were

- The strategic acquisition of the Triple M Group of Companies in August 2007;
- Securing the OPTUS HFC Services contract for the next 2 years;
- Securing ongoing Telstra installation and maintenance works for a further 2 years under a "super" subcontractor arrangement with SILCAR;
- Strengthening of the strategic partnership with FOXTEL;
- Enhanced our capabilities and reputation in the growing Public Private Partnership (PPP) market place;
- The Building Services division was awarded contracts as the HVAC supplier for Green Square North Tower development, for the maintenance of Chillers in the hospital portfolio of the South Western Sydney Area Health Service and was successful in renewing the maintenance contracts for Suncorp Metway Stadium in Brisbane and ANZ Stadium in Sydney;
- The MR Group continued to provide solid return following last year's review of operations and the subsequent restructure;
- BSA continues to encourage and assist all contractors to convert their vans to gas fuel supporting BSA's commitment to the environment; and
- BSA continued its support for Young Care Limited, an organisation dedicated to providing accommodation for young people with high care needs.

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year were as follows:

- a. net increase in contributed equity of \$19,358,014 including \$28,223 of related fees (from \$49,477,417 to \$68,835,431) as a result of:
 - Issue of 1,600,000 fully paid ordinary shares @ \$0.63 to employees under the BSA Executive Securities Plan.
 - Issue of 21,103,822 fully paid ordinary shares @ \$0.68 for the acquisition of the Triple M group of companies.
 - Issue of 950,000 fully paid ordinary shares @ \$0.68 to employees under the BSA Executive Securities Plan.
 - Issue of 7,322,567 fully paid ordinary shares under the Dividend Reinvestment Plan.
 - Issue of 1,000,000 fully paid ordinary shares @ \$0.26 on exercise of options granted.
- b. net cash received for the increase in contributed equity amounting to \$260,000.
- c. significant expenses relevant in explaining the financial performance:
 - Share-based payments expense - \$48,000.

After Balance Date Events

There were no significant events that occurred after the end of the financial year.

Future Developments, Prospects and Business Strategies

The outlook for the new financial year is positive and BSA fully expects to deliver sustainable Revenues of \$250 million and an EBITDA margin in line with the 2008 financial year.

- A key change lead by Chairman Ross Johnston is a strategic review of all operations which will determine the future direction of the Group and drive the delivery of our growth expectations;
- Whilst BSA enjoys secure long term contracts in the telecommunications and subscription television divisions, a permanent tightening however in margins has heightened the company's focus on increased productivity as the key to a successful year.
- BSA will continue to competitively bid for new opportunities in the telecommunications/volume contracting space;
- Further enhancing the relationship with FOXTEL and growing the range of services provided is an ongoing objective;
- The Building Services division similarly seeks to capitalise on its strong "order book" and grow the business organically in existing markets and through expansion into other geographic regions.

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.

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.



The acquisition and integration of Triple M was a milestone for the company.

- Ross Johnston

Information on Directors

As at 30 June 2008, the following information is provided in relation to directors:

Director	Special Responsibilities	Ordinary Shares	Options	Escrowed Shares till 12 Dec 2008	Escrowed Shares till 13 Jan 2009
Ross Johnston	Chairman of Board				
Chairman	Member of Audit Committee				
non-executive	Member of Nomination and Remuneration Committee	400,000	Nil	Nil	Nil
Mark Foley					
executive director	Managing Director	5,138,351	3,000,000	Nil	4,000,000
Mark Lowe					
executive director	Executive Director	10,357,403	Nil	200,000	Nil
Paul Teisseire	Chairman of Audit Committee				
non-executive	Member of Nomination and Remuneration Committee	199,234	Nil	Nil	Nil
Michael Givoni	Member of Remuneration Committee				
non-executive	Member of Audit Committee	150,000	Nil	Nil	Nil
Max Cowley	Chairman of Nomination and Remuneration Committee				
non-executive	Member of Audit Committee	*40,032,037	Nil	Nil	Nil

*Shares owned by Birketu Pty Ltd

Directorships held in Other Listed Entities

Period of Appointment	Name of Company	Position Held (Non Executive or Executive Director)
Mark Foley		
Appointed 14 January 2003 Resigned 9 July 2007	Brumby's Bakeries Holdings Ltd	Non Executive Director
Paul Teisseire		
Appointed August 1996 Resigned March 2008	Auspine Ltd	Non Executive Chairman and Member (prior Chairman) of Audit and Compliance Committee
Appointed March 2008	Gunns Limited	Non Executive Director
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 Resigned 28 November 2007	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
	Mesbon China Nylon Limited	Non Executive Director Member of the Audit and Compliance Committee
Michael Givoni		
Appointed 1 July 2002	The Venture Bank Limited	Non Executive Director

Remuneration Report - Audited

This remuneration report details the nature and amount of remuneration for each key management person of BSA Limited, and for the executives receiving the highest remuneration.

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows and is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

A. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive 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; and
- capital management.

In consultation with external remuneration consultants, the Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

The Board has established a remuneration committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. The Corporate Governance Statement provides further information on the role of this committee.

The following table shows the gross revenue, profits and dividends for the last five years for the listed entity, as well as the share price at the end of the respective financial years. Analysis of the actual figures shows an increase in profits before significant items (refer to note 3) each year since the commencement of the payment of dividends, as well as an increase of dividends paid to shareholders. The improvement in the company's performance since the commencement of the payment of dividends has been reflected in the company's share price with an increase each year, with the exception of 2008, when the share price fell in line with the general fall in share prices experienced by the Australian share market in general. The board is of the opinion that these results can be attributed in part to the previously described remuneration policy and is satisfied that this continued improvement has led to increased shareholder wealth over the past four years.

	2004	2005	2006	2007	2008
Revenue	\$100.2m	\$119.1m	\$130.6m	\$159.0m	\$243.9m
Net Profit	\$2.7m	\$2.0m	\$0.7m	\$9.0m	\$8.0m
Share Price at Year End	\$0.13	\$0.26	\$0.24	\$0.76	\$0.32
Dividends Paid	0 cents	0 cents	0.5 cents	2.0 cents	5.2 cents

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 annually by the Board. The Board has also considered the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

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 base remuneration for directors was last reviewed in September 2007. Directors fees are inclusive of superannuation and include the requirement to sit on two or more board committees for the duration of their tenure. A director's expected time commitment is between 5 to 10 hours per month. Directors are reimbursed actual expenses or paid a per diem allowance for attendance at the monthly meetings.

Non executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$600,000 per annum and was last approved by shareholders at the Annual General Meeting on 26 November 2007. The following fees have applied:

	From 29 April 2008	From 1 September 2007 to 28 April 2008	From 1 November 2005 to 31 August 2007
Base fees			
Chairman	\$120,000	\$94,000	\$70,000
Other non-executive directors	\$79,000	\$79,000	\$55,000

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 three components:

- base pay and benefits, including superannuation;
- short-term performance incentives; and
- long-term incentives through participation in the employee share plan and employee option plan.

The combination of these comprises the executive's total remuneration. The Group intends to revisit its long-term equity-linked performance incentives during the year ending 30 June 2009.

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 executive's 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. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in 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 the 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 2008, 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 target may not be met. The STI target annual payment is reviewed annually.

B. Details of remuneration

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and specified executives of BSA Limited and the BSA Limited Group are set out in the following tables.

The key management personnel of the Group are the directors of BSA Limited (see page 11 above). In addition, the following persons must be disclosed under the Corporations Act 2001 as they are amongst the 5 highest remunerated Group and/or Company executives:

- Brendan Foley
- Peter McGahon
- Bryce Wood
- Leaston Paull
- Ray Larkin

Key management personnel of the Group and other executives of the Company and the Group

2008	Short-term Benefits			Post	Long-term		Share-based		Total	Performance Related
	Cash, Salary & Fees	Cash Bonus	Non-Monetary benefits	Employment	Benefits	Termination benefits	Options	Options		
Name	\$	\$	\$	Super-annuation	Long service leave	\$	\$	%	%	%
Non-executive directors										
Brian Baldwin (Chairman until 29 April 2008)	71,866	-	-	6,468	-	-	-	-	78,334	-
Ross Johnston (Chairman from 29 April 2008)	30,000	-	-	-	-	-	-	-	30,000	-
Paul Teisseire	72,477	-	-	6,523	-	-	-	-	79,000	-
Michael Givoni	72,477	-	-	6,523	-	-	-	-	79,000	-
Max Cowley	72,054	-	-	6,485	-	-	-	-	78,539	-
Sub-total non-executive directors	318,874	-	-	25,999	-	-	-	-	344,873	
Executive directors										
Mark Foley	475,129	115,000	-	42,322	11,623	-	24,164	0.04	668,238	17.2
Daniel Lipshut (until 26 November 2007)	99,831	247,500	-	6,496	-	-	24,164	0.06	377,991	65.5
Mark Lowe (from 31 July 2007)	240,615	-	-	19,904	18,926	-	-	-	279,445	-
Other key management personnel (Group)										
Brendan Foley	246,588	-	-	21,643	353	-	-	-	268,584	-
Peter McGahon (from 1 August 2007)	167,261	30,195	-	13,015	13,929	-	-	-	224,400	13.5
Bryce Wood	209,965	-	-	20,996	3,800	-	-	-	234,761	-
Leaston Paull	176,967	-	-	14,418	1,500	-	-	-	192,885	-
Ray Larkin	176,351	-	-	14,418	989	-	-	-	191,758	-
Total key management personnel compensation (Group)	2,109,104	392,695	-	179,211	51,120	-	48,328		2,782,935	

2007	Short-term Benefits			Post	Long-term	Share-based				
	Cash, Salary & Fees	Cash Bonus	Non- monetary benefits	Employment Super- annuation	Long service leave	Termination benefits	Options	Options	Total	Performance Related
Name	\$	\$	\$	\$		\$	\$	%	\$	%
Non-executive directors										
Brian Baldwin (Chairman)	64,220	-	-	5,780	-	-	-	-	70,000	-
Paul Teisseire	50,459	-	-	4,541	-	-	-	-	55,000	-
Michael Givoni	50,459	-	-	4,541	-	-	-	-	55,000	-
Max Cowley	50,459	-	-	4,541	3,781	-	-	-	58,781	-
Sub-total non-executive directors	215,597	-	-	19,403	3,781	-	-		238,781	-
Executive directors										
Mark Foley	360,400	-	-	39,600	28,237	-	92,219	0.18	520,456	-
Daniel Lipshut	309,500	-	-	20,000	14,445	-	92,219	0.21	436,164	-
Other key management personnel (Group)										
Brendan Foley	221,077	38,200	-	26,608	62,714	-	4,645	0.01	353,244	10.8
Ray Larkin	163,096	23,740	-	17,983	38,781	-	4,645	0.02	248,245	9.6
Leaston Paull	163,173	35,000	-	15,577	30,500	-	-	-	244,250	14.3
Barbra Godfrey *	113,269	20,000	-	14,081	22,590	-	-	-	169,940	11.8
Bryce Wood	186,586	-	-	22,696	12,542	-	-	-	221,824	-
Shaun Rafferty *	183,495	20,000	-	12,743	4,940	-	-	-	221,178	9.0
Total key management personnel compensation (Group)	1,916,193	136,940	-	188,691	218,530	-	193,728		2,654,082	

Performance income as a proportion of total remuneration:

Executive directors and executives are paid performance based bonuses based on set monetary figures, rather than proportions of their salary. This has led to the proportions of remuneration related to performance varying between individuals. The remuneration committee has set these bonuses to encourage achievement of specific goals that have been given a high level of importance to the future growth and profitability of the consolidated group.

The remuneration committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure use of the most cost effective and efficient methods.

* Not required to be shown as key management personnel in 2008.

C. Service agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director. A copy of the letter can be found on BSA Limited's web site.

Remuneration and other terms of employment for the Managing Director and the other key management personnel are also formalised in service agreements. Each of these agreements allow for the provision of performance-related cash bonuses, other benefits, car allowances, and participation, when eligible, in the BSA Limited Option Plan. Other major provisions of the agreements relating to remuneration are set out below.

All contracts with executives may be terminated early by either party with two to three months notice, subject to termination payments as detailed below.

Mark Foley, Managing Director

- Term of agreement - 3 years commencing 1 October 2007.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of \$460,000, to be reviewed annually by the remuneration committee.
- Either party may by a notice in writing delivered to the other party terminate the agreement on six months notice to the other party.

D. Cash Bonuses

Cash bonuses granted to Mark Foley and Daniel Lipshut were paid on 29 September 2007 and the cash bonus granted to Peter McGahon was paid on 28 August 2007 at the discretion of the Remuneration Committee. The bonuses therefore vested 100% during the financial year ended June 2008.

Cash bonuses of \$40 000 were granted to Brendan Foley, Leaston Paull and Ray Larkin provided that they achieved 100% of budgeted EBITDA for their direct areas of responsibility. As these targets were not achieved, the bonuses were forfeited during the financial year.

Key management personnel and executives are also entitled to a short-term cash incentive based on performance criteria described in section A to this Remuneration Report. Details of these short-term incentives recognised as remuneration, forfeited or available for vesting in future financial years is outlined below:

Name	Included in remuneration	% vested in current year	% Forfeited in current year	% Available for vesting in future years	Maximum \$ available for vesting in future years	Minimum \$ available for vesting in future years
Executive directors						
Mark Foley	115,000	100		-	-	-
Daniel Lipshut	247,500	100		-	-	-
Other Key management						
Brendan Foley	-	-	100	-	-	-
Peter McGahon	30,195	100		-	-	-
Leaston Paull	-	-	100	-	-	-
Ray Larkin	-	-	100	-	-	-

E. Share-based compensation

Options

Options over shares in BSA Limited are granted under the BSA Limited Employee Option Plan which was approved by shareholders at the 2004 annual general meeting. The Employee Option Plan is designed to provide long-term incentives for executives to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant Date	Date vested and exercisable	Expiry Date	Exercise Price	Value per option at grant date
28 Jun 2004	30 Jun 2006	30 Jun 2009	\$0.26	\$0.13
28 Jun 2004	30 Jun 2007	30 Jun 2010	\$0.26	\$0.14
25 Nov 2004	25 Nov 2005	25 Nov 2009	\$0.47	\$0.15
25 Nov 2004	25 Nov 2006	25 Nov 2009	\$0.47	\$0.16
25 Nov 2004	25 Nov 2007	25 Nov 2009	\$0.47	\$0.18

Options granted under the plan carry no dividend or voting rights.

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.

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.

Details of options over ordinary shares in the company provided as remuneration to each director of BSA Limited and each of the key management personnel of the parent entity and the Group are set out below. When exercisable, each option is converted into one ordinary share of BSA Limited. Further information on the options is set out in note 25 to the financial statements.

Name	Number of options granted during the year		Number of options vested during the year	
	2008	2007	2008	2007
Directors of BSA Limited				
Mark Foley	-	-	1,000,000	1,000,000
Daniel Lipshut (retired)	-	-	1,000,000	1,000,000
Other key management personnel of the Group				
Brendan Foley	-	-	-	100,000
Ray Larkin	-	-	-	100,000

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

There have been no options granted since 25 November 2004.

Shares provided on exercise of remuneration options

Details of ordinary shares in the company provided as a result of the exercise of remuneration options to each director of BSA Limited and other key management personnel of the Group are set out below.

Name	Date of exercise of options	Number of ordinary shares issued on exercise of options during the year	
		2008	2007
Directors of BSA Limited			
Mark Foley	-	-	-
Daniel Lipshut	-	-	-
Other key management personnel of the Group			
Brendan Foley	-	-	-
Ray Larkin	-	-	-

No options were exercised during the year ended 30 June 2008.

No options are unpaid on any shares issued on the exercise of options.

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 executive 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 to directors of BSA Limited or other key management personnel of the Group during the year ended 30 June 2008.

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.

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 Number	Granted During the Year Number	Released from Escrow During the Year Number	Balance in Escrow at End of the Year Number
Consolidated and parent entity						
12 Jan 2006	11 Jan 2009	0.24	4,000,000	-	-	4,000,000
13 Oct 2006	30 Jun 2011	0.23	700,000	-	-	700,000
19 Jul 2007	30 Jun 2011	0.63	-	1,600,000	-	1,600,000
11 Sep 2007	30 Jun 2011	0.68	-	150,000	-	150,000
13 Sep 2007	30 Jun 2011	0.68	-	400,000	-	400,000
14 Dec 2007	30 Jun 2011	0.68	-	400,000	-	400,000
Total			4,700,000	2,550,000	-	7,250,000

End of Audited Remuneration 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 2008, and the number of meetings attended by each director were:

	Board Meetings		Audit Committee Meetings		Remuneration and Nomination Committee Meetings	
	A	B	A	B	A	B
	Ross Johnston	2	2	-	-	-
Mark Foley	16	16	*	*	*	*
Mark Lowe	13	13	*	*	*	*
Max Cowley	15	16	2	2	2	2
Michael Givoni	16	16	2	2	2	2
Paul Teisseire	16	16	2	2	2	2
Brian Baldwin	11	14	2	2	2	2
Daniel Lipshut	7	7	*	*	*	*

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.

Ross Johnston was appointed as a director on 29 April 2008 and in accordance with the constitution retires as a director at the annual general meeting. Being eligible, Ross will offer himself for election.

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

Indemnifying Officers or 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. The total amount of the premium was \$40,158.

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

Options

As at the date of this report, the unissued ordinary shares of BSA Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
28.06.2004	30.06.2009	\$0.26	100,000
28.06.2004	30.06.2010	\$0.26	200,000
25.11.2004	25.11.2009	\$0.47	6,000,000
			6,300,000

During the year ended 30 June 2008, the following ordinary shares of BSA Limited were issued on the exercise of options granted under the BSA Limited Employee Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Grant Date	Exercise Price	Number of Shares Issued
28.06.2004	\$0.26	1,000,000

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

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.

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 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; and
- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement APES 110 Code of Ethics for Professional Accountants, 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	
	2008	2007	2008	2007
	\$	\$	\$	\$

Amounts paid/payable to BDO for:

• auditing or reviewing the financial report	221,218	146,706	221,218	146,706
• taxation services	62,040	17,400	62,040	17,400

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2008 as required under section 307c of the Corporations Act 2001 has been received and can be found on page 30 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.

Signed in accordance with a resolution of the Board of Directors.

Mark Foley,

Managing Director
29 September 2008



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.

Corporate Governance Statement

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 and as revised in 2007. Although not mandatory for application until the reporting year commencing after 1 January 2008, BSA has chosen to adopt the revised principles and to report against them for this report. 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 where fuller details are available.

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 maximizing 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.

BSA has obligations to its stakeholders to ensure the company is managed with appropriate due diligence and that all necessary processes are implemented to minimise risk and maximise business opportunities.

To this end, a formal Limits of Authority policy and procedure is regularly updated to ensure that all commercial arrangements, capital expenditure, operational expenditure and other commitments are appropriately documented and that the relevant management levels within BSA, (including the BSA Board) have full transparency of, and have authorised all material transactions or commitments.

For clarity the policy is broken into a number of areas;

- Operational Expenditure, budgeted and unbudgeted
- Capital Expenditure, budgeted and unbudgeted
- Contractual Commitments or Commercial Arrangements.
- BSA Supply or Service Contracts

The policy and procedures were last reviewed and updated in February 2008.

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
R Johnston	Chairman & Non-Executive Director	Yes
M Foley	Executive Director	No
M Lowe	Executive Director	No
M Cowley	Non-Executive Director	No
M Givoni	Non-Executive Director	Yes
P Teisseire	Non-Executive Director	Yes

The skills, experience, expertise and tenure of each director are disclosed in the Directors' Report within this Annual Report.

Director Independence

The board considers three of BSA's directors as independent under the guidelines: Ross Johnston, 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:

- is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- 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;
- 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;
- 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;
- has no material contractual relationship with the company or another group member other than as a director of the company;

- 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; and
- 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.

Mr Cowley is the company secretary of the major substantial shareholder in BSA and is not considered to be independent because of this fact. Messrs Foley and Lowe, being executive directors, are also not considered to be independent.

ASXCGC Recommendation 2.1 states that the majority of directors of the company should be independent. BSA does not comply with that recommendation in that 50% of directors are independent.

The reason for departure from this Recommendation 2.1 is one of practicality. The Board has focussed on the overarching principle of having directors who add value to the business.

Through the Nominations Committee, which has met a number of times in the current financial year to consider appointments to the board, including the search for the new Chairman, directors have considered the balance of skills and experience required of board members for the size and state of development of BSA. The board believes that it has the right numbers and skill sets within its board members for the current size of the company, and is confident that each non-executive director brings independent judgement to bear on board decisions.

Where additional skills are considered necessary for specific purposes, access is made to independent professional advice at the expense of the company.

Chairman

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

The roles of chairman and managing director are not exercised by the same individual.

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. Ross Johnston, who was appointed to the board on 29 April 2008 under Clause 56 of the Constitution, is standing for election at the 2008 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.

Evaluation of Senior Executives

Senior executives, including the managing director and the chief financial officer, have a formal job description and letter of appointment describing their term of office, duties, rights, responsibilities and entitlements upon termination.

The performance of senior executives is reviewed annually before the budgets are approved for the next financial year. This process is a formal one with the executive's performance assessed against company, division and personal benchmarks. Benchmarks are agreed with the respective senior executives and short term and long term incentive payments are based upon the degree of achievement against those benchmarks.

Induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making. The induction program includes orientation of:

- the company's financial position, strategies, operations and risk management policies.
- The respective rights, duties, responsibilities and roles of the board and senior executives.

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), Ross Johnston, 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 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.

The committee is chaired by an independent chair who is not the chairman of the board.

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.

Timely and Balanced Disclosure

The Board recognizes the need to comply with ASX Listing Rule 3.1 concerning continuous disclosure.

At each meeting of directors, consideration is given as to whether notice of material information concerning the company, including its financial position, performance, ownership and governance has been made available to all investors.

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 shareholders;
- The Half Yearly Report posted to the company's website;
- The Annual General Meeting and other meetings so called to obtain shareholder approval for Board action as appropriate;
- Announcements to the Australian Securities 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 Jeff Abela or other), to be in attendance at the Annual General Meeting and to be 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 formal performance review process of the board, its committees and its directors, managed by the chair of the REM committee using an assessment matrix and rating system. The conclusions of the self assessment of the board's performance during the previous year and any recommendations for improvement which become apparent from that review, are discussed by the board.

The performance evaluation was undertaken using the process disclosed above.

Nomination and Remuneration

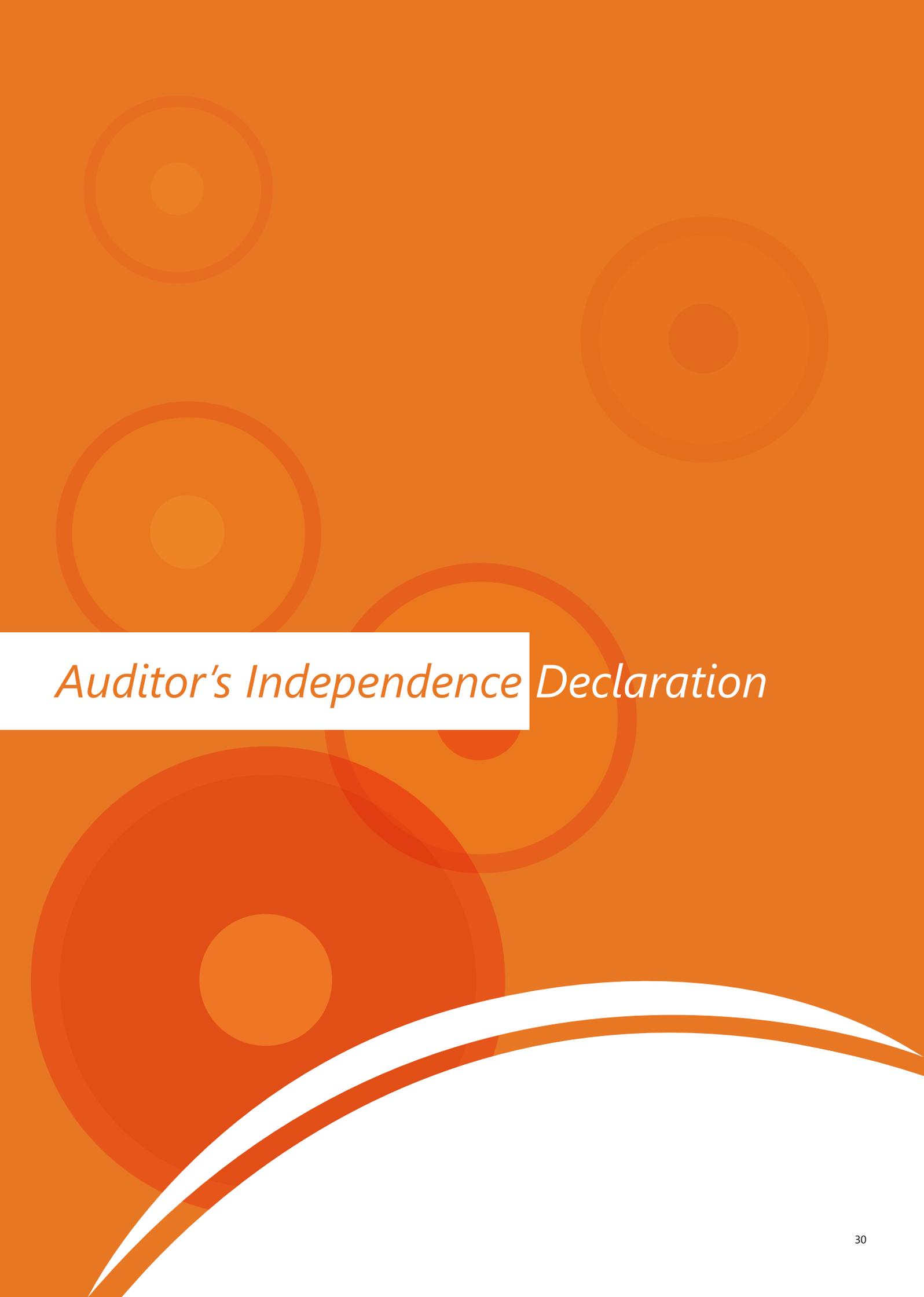
The Board has a Nomination and Remuneration Committee comprising four non-executive Directors.

The members of the Nomination and Remuneration Committee are:

Max Cowley (chair), Michael Givoni, Ross Johnston 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 senior executives. 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.



Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY JEFF ABELA TO THE DIRECTORS OF BSA LIMITED

As lead auditor of BSA Limited for the year ended 30 June 2008, 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 period.

Jeff Abela
Partner

BDO Kendalls
Chartered Accountants

Sydney, 29 September 2008.



Financial Report



BSA LIMITED
ABN 50 088 412 748
AND SUBSIDIARIES

Financial Report Contents

Income Statement	34
Balance Sheet	35
Statement of Changes in Equity	36
Statement of Cash Flows	37
Notes to Financial Statements	38
Directors' Declaration	89
Independent Audit Report	90
Shareholder Information	92

Income Statement

for the Year Ended 30 June 2008

	Note	Consolidated		Parent Entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue	2	243,882	158,973	161,575	158,973
Other income	2	565	312	375	312
Changes in inventories of finished goods and work in progress		740	(526)	876	(526)
Raw materials and consumables used		(192,289)	(118,217)	(124,478)	(118,217)
Employee benefits expense		(23,032)	(16,950)	(19,272)	(16,950)
Depreciation and amortisation expenses	3	(3,027)	(1,371)	(1,544)	(1,371)
Occupancy expenses		(1,948)	(1,206)	(1,282)	(1,206)
Finance Costs	3	(1,881)	(279)	(1,735)	(279)
Other expenses from ordinary activities		(11,274)	(7,813)	(8,495)	(7,813)
Profit before income tax expense		11,736	12,923	6,020	12,923
Income tax expense	4	(3,716)	(3,939)	(1,798)	(3,939)
Profit for the year		8,020	8,984	4,222	8,984
Profit attributable to members of the parent entity		8,020	8,984	4,222	8,984
Earnings per share for profit from continuing operations:					
Basic earnings per share	8	4.41 cents	5.83 cents		
Diluted earnings per share	8	4.40 cents	5.68 cents		

The accompanying notes form part of the above income statement

Balance Sheet

as at 30 June 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash and cash equivalents	9	4,336	3,422	838	3,422
Trade and other receivables	10	38,827	28,121	23,863	28,121
Inventories	11	2,885	3,626	2,750	3,626
Total Current Assets		46,048	35,169	27,451	35,169
Non-Current Assets					
Trade and other receivables	10	2,461	1,103	2,461	1,103
Other financial assets	15	4	-	42,720	-
Property, plant & equipment	12	7,681	3,744	4,707	3,744
Deferred tax assets	13 (b)	1,409	689	633	689
Intangible assets	14	52,158	11,490	3,278	1,543
Total Non-Current Assets		63,713	17,026	53,799	7,079
Total Assets		109,761	52,195	81,250	42,248
Current Liabilities					
Trade and other payables	16	27,949	12,311	17,305	12,311
Borrowings	17	5,539	375	4,961	375
Current tax liabilities	13 (a)	258	2,644	258	2,644
Total Current Liabilities		33,746	15,330	22,524	15,330
Non-Current Liabilities					
Borrowings	17	19,730	974	18,640	974
Deferred tax liabilities	13 (a)	2,295	122	154	122
Provisions	18	675	356	362	356
Total Non-Current Liabilities		22,700	1,452	19,156	1,452
Total Liabilities		56,446	16,782	41,680	16,782
Net Assets		53,315	35,413	39,570	25,466
Equity					
Contributed equity	19	68,835	49,477	68,835	49,477
Reserves	20 (a)	1,194	1,146	1,194	1,146
Accumulated losses		(16,714)	(15,210)	(30,459)	(25,157)
Total Equity		53,315	35,413	39,570	25,466

The accompanying notes form part of the above balance sheet

Statement of Changes in Equity

for the Year Ended 30 June 2008

Consolidated				
	Issued capital	Accumulated losses	Share-based payment reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 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
Profit attributable to members of parent entity	-	8,020	-	8,020
Shares issued during period	19,358	-	-	19,358
Share-based payment expense	-	-	48	48
Dividends paid	-	(9,524)	-	(9,524)
Balance at 30 June 2008	68,835	(16,714)	1,194	53,315
Parent Entity				
	Issued capital	Accumulated losses	Share-based payment reserve	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 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
Profit attributable to members of parent entity	-	4,222	-	4,222
Shares issued during period	19,358	-	-	19,358
Share-based payment expense	-	-	48	48
Dividends paid	-	(9,524)	-	(9,524)
Balance at 30 June 2008	68,835	(30,459)	1,194	39,570

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

Statement of Cash Flows

for the Year Ended 30 June 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities:					
Cash receipts from customers		270,782	168,353	182,034	168,353
Cash paid to suppliers and employees		(243,437)	(156,226)	(163,572)	(156,226)
Interest received		383	242	204	242
Interest and other costs of finance paid		(1,623)	(279)	(1,477)	(279)
Other taxes paid		(5,973)	(3,673)	(2,959)	(3,673)
Income tax refund		205	106	205	106
Income tax paid		(6,886)	(1,464)	(4,369)	(1,464)
Net cash provided by/(used in) operating activities	24 (a)	13,451	7,059	10,066	7,059
Cash Flows from Investing Activities:					
Proceeds - sale of property, plant and equipment		179	298	149	298
Payment for subsidiary		(28,369)	-	(28,369)	-
Cash acquired on acquisition of subsidiary		3,671	-	-	-
Due diligence costs paid on acquisition of subsidiary		(1,735)	-	(1,735)	-
Payment for property, plant and equipment		(1,898)	(1,412)	(1,310)	(1,412)
Net cash used in investing activities		(28,152)	(1,114)	(31,265)	(1,114)
Cash Flows from Financing Activities:					
Proceeds from issue of shares		260	252	260	252
Proceeds of borrowings		60,000	9,500	60,000	9,500
Repayment of borrowings		(38,500)	(11,070)	(35,500)	(11,070)
Share issue costs paid		(28)	(13)	(28)	(13)
Dividends paid		(6,115)	(1,606)	(6,115)	(1,606)
Net cash (used in)/provided by financing activities		15,617	(2,937)	18,617	(2,937)
Net increase/(decrease) in cash		916	3,008	(2,582)	3,008
Cash at the beginning of the financial period		3,420	412	3,420	412
Cash at the end of the financial period	9	4,336	3,420	838	3,420

The accompanying notes form part of the above cash flow statement

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 1: Summary of Significant Accounting Policies

This financial report includes the consolidated financial statements and notes of BSA Limited and subsidiaries ("Consolidated Group" or "Group"), and the separate financial statements and notes of BSA Limited as an individual entity ("Parent Entity").

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

(a) Principles of Consolidation

A controlled entity is any entity of which BSA Limited has the power to govern the financial and operating policies so as to gain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of subsidiaries is contained in Note 15 to the financial statements.

As at reporting date, the assets and liabilities of all subsidiaries have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where subsidiaries have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

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.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control was obtained. Cost is determined as the aggregate of fair values of asset given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit and loss.

(b) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expenses (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets or liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

BSA Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the "stand-alone taxpayer" approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 August 2007.

(c) Inventories

Inventories are measured 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) Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Costs includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Construction profits are recognised on the stage of completion basis and measured using the customer agreed percentage revenue completed. Where losses are anticipated they are provided for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Leases

Lease of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is 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 on a straight line basis over the period of the lease.

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

(g) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit and loss. Transaction costs related to instruments classified as at fair value profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set to below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(h) 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.

(i) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets and liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. 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.

Customer Relationships

Customer relationships were independently valued at acquisition date. Customer relationships have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Customer relationships are amortised over their useful life being 9 years.

(j) 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. 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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Equity-settled compensation

The group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for devices received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(k) 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 short-term borrowings in current liabilities on the balance sheet.

(l) Trade Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 120 days. Collectibility of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will not be able to collect all amounts due according to the original terms. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

(m) Revenue and Other Income

Revenue is measured at the fair value of the consideration received after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue relating to construction activities is detailed at Note 1(d).

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).

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

(o) Borrowing Costs

Borrowing costs are recognised in income in the period in which they are incurred.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) 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 a part of the purchase consideration.

(r) Rounding of Amounts

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

(s) Dividends

Provision is made for dividends declared, and no longer at the discretion of the Group, on or before the end of the financial year but not distributed at balance date.

(t) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of BSA Limited, adjusted for the after-tax effect of preference dividends on preference shares classified as equity, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year. The weighted average number of issued shares outstanding during the financial year does not include shares issued as part of the Employee Share Loan Plan that are treated as in-substance options.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(u) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 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 3 Business Combinations

AASB 3 is effective for business combinations where the acquisition date is on or after the beginning of the first reporting period that commences 1 July 2009 or later. Released as part of long term international convergence project between IASB and FASB. The revised standard introduces more detailed guidance on accounting for step acquisitions, adjustments to contingent consideration, assets acquired that the purchaser does not intend to use, reacquired rights and share-based payments as part of purchase consideration. Also, all acquisition costs will have to be expensed instead of being recognised as part of goodwill.

As there is no requirement to retrospectively restate comparative amounts for business combinations undertaken before this date, there is unlikely to be any impact on the financial statements when this revised standard is first adopted.

However, due to the nature of some of the changes in the revised standard, business combinations that the entity undertakes after this date may in future impact negatively on the results of the entity. For example, acquisition costs will have to be expensed instead of being recognised as part of goodwill.

Specific changes in respect of step acquisitions and sell downs may introduce situations whereby adopting the revised standard may improve profitability.

(ii) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a "management approach" to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group has not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

(iii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Standards arising from AASB 123 [AASB1, AASB 107, AASB 116 & AASB 138 and Interpretations 1 & 12]

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group already capitalises borrowing costs relating to qualifying assets.

(iv) AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

AASB-I 14 will be effective for annual reporting periods commencing on or after 1 January 2008. It provides guidance on the maximum amount that may be recognised as an asset in relation to a defined benefit plan and the impact of minimum funding requirements on such an asset. The Group does not operate any defined benefit plans and therefore the adoption of AASB-I 14 from 1 July 2008 will not have any impact on the Group's financial statements.

(v) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not effect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group intends to apply the revised standard from 1 July 2009.

(vi) AASB 127 Consolidation and Separate Financial Statements

AASB 127 was reissued in March 2008 and is applicable for annual reporting periods commencing on or after 1 July 2009. The revised standard clarifies that changes in ownership interest which result in control being retained are accounted for within equity as transactions with owners. Losses will be attributed to the non-controlling interest even if this results in a debit balance for the non-controlling interest. Investments retained where there has been a loss of control will be recognised at fair value at date of sale.

As there is no requirement to retrospectively restate the effect of these revisions, there is unlikely to be any impact on the financial statements when this revised standard is first adopted.

(vii) AASB 2008-1 Amendments to AASB 2 - Share-based Payments - Vesting Conditions and Cancellations

AASB 2008-1 was issued in February 2008 and is applicable for annual reporting periods beginning on or after 1 January 2009. The definition of vesting conditions has changed and the accounting treatment clarified for cancellations to share-based payment arrangements by the counterparty. This is to ensure that conditions other than performance conditions do not result in a 'true up' of the share-based payment expense and are treated in a manner similar to market conditions.

To date the entity has not issued any options to employees that include non-vesting conditions and as such there will be no impact on the financial statements when this revised standard is adopted for the first time.

(v) 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 2008. 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 2008 amounting to \$45,961,292.

The financial report was authorised for issue on 29 September 2008 by the board of directors.

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 2: Revenue

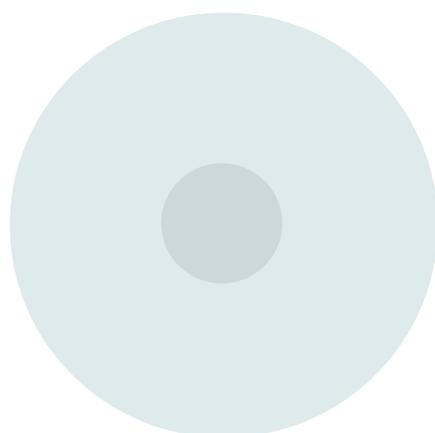
From continuing operations:

Sales revenue

Sale of goods	16,150	16,062	16,150	16,062
Service revenue	227,732	142,911	145,425	142,911
Total Revenue	243,882	158,973	161,575	158,973

Other revenue:

Interest - other persons	531	242	352	242
Foreign exchange gains	-	2	-	2
Net gain on disposal of non-current assets	34	68	23	68
Other Revenue	565	312	375	312



Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Note 3: Profit for the year				
Expenses				
Cost of sales	191,549	118,743	123,602	118,743
Finance Costs				
- interest expense	1,881	279	1,735	279
Total finance costs	1,881	279	1,735	279
Depreciation of non-current assets				
- plant and equipment	1,759	897	1,020	897
Total depreciation	1,759	897	1,020	897
Amortisation of non-current assets				
- plant and equipment under finance leases	427	311	427	311
- leasehold improvements	138	163	97	163
- identifiable intangible assets	703	-	-	-
Total amortisation	1,268	474	524	474
Total depreciation and amortisation	3,027	1,371	1,544	1,371
Net bad and doubtful debts expense - trade debtors	(136)	202	(153)	202
Rental expense on operating leases	1,460	944	970	944
Defined contribution expense - superannuation	2,154	1,500	1,725	1,500
Significant Items				
The following significant expenses are relevant in explaining the financial performance:				
Share-based payments expense	48	201	48	201
Inventory write offs	1,279	-	1,279	-
Unsuccessful merger and acquisition transaction	412	-	412	-

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 4: Income tax expense

(a) The components of income tax expense comprise:

Current income tax	3,773	3,765	1,752	3,765
Deferred income tax	1	181	87	181
Over provision in respect of prior years	(58)	(7)	(41)	(7)
	3,716	3,939	1,798	3,939

(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% (2007: 30%)	3,521	3,877	1,806	3,877
	3,521	3,877	1,806	3,877
Add:				
Over provision for income tax in prior year	(58)	(7)	(41)	(7)
Other non deductible expenses	253	69	33	69
	195	62	(8)	62
Income tax expense attributable to profit before income tax	3,716	3,939	1,798	3,939

The applicable weighted average effective tax rates are as follows:

	32%	30%	30%	30%
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The increase in the weighted average effective consolidated tax rate for 2008 is a result of the goodwill amortisation relating to the identifiable intangible assets acquired in the Triple M acquisition.

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).

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 5: Key Management Personnel Compensation

(a) Directors

The following persons were directors of BSA Limited during the financial year:

(i) Chairman - non executive

Brian Baldwin	Until 29 April 2008
Ross Johnston	From 29 April 2008

(ii) Executive Directors

Mark Foley	Managing Director
Daniel Lipshut	Executive Director (until 26 November 2007)
Mark Lowe	Executive Director - (from 31 July 2007)

(iii) Non executive directors

Paul Teisseire
Michael Givoni
Edwin Cowley

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Brendan Foley	General Manager Contracting Services
Peter McGahon	General Manager Triple M QLD
Ray Larkin	General Manager Telecommunication Services
Leaston Paull	General Manager Subscription TV
Bryce Wood	Chief Financial Officer

(c) Key Management Personnel Compensation

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short term employee benefits	2,501,799	2,053,133	2,304,343	2,053,133
Post employment benefits	181,688	188,691	168,673	188,691
Long term benefits	51,120	196,244	37,191	196,244
Termination benefits	-	-	-	-
Share based payments	48,328	193,728	48,328	193,728
	2,782,935	2,631,796	2,558,535	2,631,796

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' Report on pages 16 to 22 of this Annual Report.

Notes to the Financial Statements

for the Year Ended 30 June 2008

(d) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in section E of the remuneration report on pages 21.

(ii) Option holdings

The numbers of options over ordinary shares in the company held during the financial year by each director of BSA Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no options granted during the reporting period as compensation.

2008	Balance at start of year	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of year	Vested and exercisable	Unvested
Directors of BSA Limited							
Mark Foley	3,000,000	-	-	-	3,000,000	3,000,000	-
Daniel Lipshut	3,000,000	-	-	-	3,000,000	3,000,000	-
Other key management personnel of the Group							
Brendan Foley	300,000	-	-	(100,000)	200,000	200,000	-
Ray Larkin	100,000	-	-	-	100,000	100,000	-
	6,400,000	-	-	(100,000)	6,300,000	6,300,000	-

All vested options are exercisable at the end of the year.

2007	Balance at start of year	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of year	Vested and exercisable	Unvested
Directors of BSA Limited							
Mark Foley	3,000,000	-	-	-	3,000,000	2,000,000	1,000,000
Daniel Lipshut	3,000,000	-	-	-	3,000,000	2,000,000	1,000,000
Other key management personnel of the Group							
Brendan Foley	300,000	-	-	-	300,000	300,000	-
Ray Larkin	300,000	-	(200,000)	-	100,000	100,000	-
	6,600,000	-	(200,000)	-	6,400,000	4,400,000	2,000,000

Notes to the Financial Statements

for the Year Ended 30 June 2008

(iii) Share holdings

The numbers of shares in the company held during the year by each director of BSA Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2008	Balance at the start of the year	Options Exercised	Other changes during the year	Balance at the end of the year
Directors of BSA Limited				
Ordinary Shares				
Brian Baldwin	3,999,518	-	1,743,123	5,742,641
Ross Johnston	-	-	400,000	400,000
Mark Foley	4,543,359	-	594,992	5,138,351
Daniel Lipshut	353,648	-	(257,630)	96,018
Mark Lowe	-	-	10,357,403	10,357,403
Paul Teisseire	178,818	-	20,416	199,234
Michael Givoni	150,000	-	-	150,000
Edwin Cowley	31,775,938	-	8,256,099	40,032,037
Ordinary Shares - Escrowed				
Mark Foley	4,002,617	-	(2,617)	4,000,000
Daniel Lipshut	2,617	-	(2,617)	-
Mark Lowe	-	-	200,000	200,000
Other key management personell of the Group				
Ordinary Shares				
Brendan Foley	8,429	-	244,188	252,617
Bryce Wood	184	-	13,807	13,991
Leaston Paull	132	-	19,349	19,481
Ray Larkin	-	-	2,617	2,617
Peter McGahon	-	-	1,453,212	1,453,212
Ordinary Shares - Escrowed				
Brendan Foley	202,617	-	747,383	950,000
Bryce Wood	52,617	-	247,383	300,000
Leaston Paull	202,617	-	247,383	450,000
Ray Larkin	202,617	-	247,383	450,000
	45,675,728	-	24,531,874	70,207,602

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

Notes to the Financial Statements

for the Year Ended 30 June 2008

2007	Balance at the start of the year	Options Exercised	Other changes during the year	Balance at the end of the year
Directors of BSA Limited				
Ordinary Shares				
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
Ordinary Shares - Escrowed				
Mark Foley	4,002,617	-	-	4,002,617
Daniel Lipshut	2,617	-	-	2,617
Other key management personell of the Group				
Ordinary Shares				
Brendan Foley	8,429	-	-	8,429
Barbra Godfrey	-	-	-	-
Bryce Wood	50	-	134	184
Leaston Paull	-	-	132	132
Ray Larkin	-	200,000	(200,000)	-
Ordinary Shares - Escrowed				
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
	41,752,877	200,000	3,775,468	45,728,345

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

Notes to the Financial Statements

for the Year Ended 30 June 2008

(e) **Executive Securities Plan - Loans**

	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						
2008	1,029	2,437	148	-	-	13
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 30.6.08	Highest Balance During Period
	\$	\$	\$	\$	\$
Mark Foley	889,300	56,564	-	945,864	945,864
Brendan Foley	39,918	28,703	-	425,688	425,688
Ray Larkin	39,918	11,345	-	166,472	166,472
Leaston Paull	39,918	11,345	-	166,472	166,472
Bryce Wood	9,979	9,345	-	138,824	138,824
Peter Tripodi	-	8,220	-	135,810	135,810
Grant Backhouse	-	6,288	-	111,958	111,958
Mark Lowe	-	4,702	-	112,453	112,453
Younis Tehfe	-	4,702	-	112,453	112,453

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 the termination of Mark's contract on 30 September 2011 and does not bear interest and has been booked into the accounts at net present value.

The remaining loans also represent unsecured loans to purchase shares in BSA Limited which was passed at a meeting of members held on 12 December 2005. The shares were issued between 13 October 2006 and 14 December 2007 at values ranging from 23.0 cents per share and 68 cents per share. The loans are repayable on the termination of each individual from the company and do not bear interest. These loans have been booked into the accounts at net present value on a rolling three year basis.

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007

Note 6: Auditors' Remuneration

Remuneration of the auditor of the group for:

- auditing or reviewing the financial report	221,218	146,706	221,218	146,706
- taxation services	62,040	17,400	62,040	17,400

	Consolidated		Parent Entity	
	2008	2007	2008	2007

Note 7: Dividends

(a) Ordinary Shares

Interim fully franked dividend of 3.5 (2007: 1.5) cents per fully paid ordinary share franked at the rate of 30% (2007: 30%)

	6,464	2,316	6,464	2,316
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Final fully franked dividend of 1.7 (2007: 0.5) cents per fully paid ordinary share franked at the rate of 30% (2007: 30%)

	3,060	757	3,060	757
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Total dividends provided for or paid

	9,524	3,073	9,524	3,073
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(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 0.75 cents per fully paid ordinary share, (2007: 1.7 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 3 October 2008 out of profits for the year ended 30 June 2008, but not recognised as a liability at year end, is

	1,415	3,081	1,415	3,081
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(c) Franked dividends

The franked portions of the final dividends recommended after 30 June 2008 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 2008.

	Consolidated		Parent Entity	
	2008	2007	2008	2007

Franking credits available for subsequent financial years based on a tax rate of 30% (2007 - 30%)

	14,891	7,618	14,891	7,618
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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 \$607,000 (2007: \$1,320,000)

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated	
	2008	2007
	\$'000	\$'000

Note 8: Earnings Per Share

(a) Reconciliation of Earnings to Profit

Profit	8,020	8,984
Earnings used to calculate basic EPS and dilutive EPS	8,020	8,984

	Number	Number
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	181,878,289	154,170,944
Weighted average number of options outstanding	206,609	3,921,125
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	182,084,898	158,092,069

7,400,000 options were not included in the number of weighted average number of ordinary shares used to calculate diluted earnings per share because they are currently out-of-the-money.

(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.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 9: Cash and Cash Equivalents

Cash at bank and on hand	4,336	3,422	838	3,422
	4,336	3,422	838	3,422

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

Cash and cash equivalents		4,336	3,422	838	3,422
Bank overdrafts	17	-	(2)	-	(2)
Balances as per cash flow statement		4,336	3,420	838	3,420

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
Note 10: Trade and Other Receivables					
Current					
Trade receivables		26,912	17,160	12,985	17,160
Provision for doubtful debts		(453)	(308)	(251)	(308)
		26,459	16,852	12,734	16,852
Other receivables		10,771	10,925	10,730	10,925
Contract Retentions		1,011	-	-	-
Prepayments		586	344	399	344
		12,368	11,269	11,129	11,269
		38,827	28,121	23,863	28,121
Non-Current					
Term receivables		24	170	24	170
Provision for doubtful debts		-	(96)	-	(96)
		24	74	24	74
Executive Share Plan Receivables	(b)	2,437	1,029	2,437	1,029
		2,461	1,103	2,461	1,103

(a) Executive Share Plan 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.

Age analysis of trade receivables that are past due but not impaired at the reporting date

Consolidated	2008			2007		
	Total	Amount Impaired	Amount not impaired	Total	Amount Impaired	Amount not impaired
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not past due	16,320	-	16,320	9,670	-	9,670
Past due [30] days	7,858	-	7,858	5,493	-	5,493
Past due [30-60] days	1,118	-	1,118	597	-	597
Past due [60-90] days	891	-	891	212	-	212
Past due [>90] days	725	453	272	1,188	308	880
Total	26,912	453	26,459	17,160	308	16,852

Notes to the Financial Statements

for the Year Ended 30 June 2008

Parent	2008			2007		
	Total	Amount Impaired	Amount not impaired	Total	Amount Impaired	Amount not impaired
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not past due	7,340	-	7,340	9,670	-	9,670
Past due [30] days	4,166	-	4,166	5,493	-	5,493
Past due [30-60] days	591	-	591	597	-	597
Past due [60-90] days	163	-	163	212	-	212
Past due [>90] days	725	251	474	1,188	308	880
Total	12,985	251	12,734	17,160	308	16,852

As at 30 June 2008, the group had current trade receivables of \$452,861 (2007: \$307,775) that was impaired. The amounts relate to customers who had not responded to final request for payment notices or customers that BSA had requested external collection agencies to collect outstanding debts.

As at 30 June 2008, the parent had current trade receivables of \$ 250,797 (2007:\$307,775) that was impaired. The amounts relate to customers who had not responded to final request for payment notices or customers that BSA had requested external collection agencies to collect outstanding debts.

Analysis of Allowance Account	Consolidated		Parent	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Opening Balance	404	356	404	356
Transferred In	185	-	-	-
Provisions for doubtful receivables current	268	308	251	308
Provisions for doubtful receivables non current	-	96	-	96
Receivables written off during the year	(166)	(207)	(166)	(207)
Reversal of amounts provided	(238)	(149)	(238)	(149)
Closing balance	453	404	251	404

Current net trade receivables that are neither past due or impaired

	Consolidated		Parent	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Rating				
Unrated	16,320	9,670	7,340	9,670
Total	16,320	9,670	7,340	9,670

Trade receivables that are neither past due nor impaired relates to long standing customers with good track record.

Notes to the Financial Statements

for the Year Ended 30 June 2008

(b) Fair values

The fair value and carrying values of non-current receivables for the group are as follows:

	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Loans to key management personnel	2,437	2,389	1,029	1,008
	2,437	2,389	1,029	1,008

The fair values are based on cash flows discounted using a current lending rate of 8.05% (2007: 6.56%).

The fair value and carrying values of non-current receivables for the parent are as follows:

	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Loans to key management personnel	2,437	2,389	1,029	1,008
	2,437	2,389	1,029	1,008

The fair values are based on cash flows discounted using a current lending rate of 8.05% (2007:6.56%).

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 11: Inventories

CURRENT

At cost

Raw materials and stores	2,806	3,532	2,671	3,532
Finished goods	79	94	79	94
	2,885	3,626	2,750	3,626

Inventory written off during the current financial year amounted to \$1,279,000 (2007:Nil)

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 12: Property, Plant & Equipment

Buildings

Leasehold improvements

At cost	1,381	1,003	1,035	1,003
Less accumulated amortisation	(829)	(691)	(788)	(691)
	552	312	247	312

Plant And Equipment

At cost	11,490	7,686	9,211	7,686
Less accumulated depreciation	(7,238)	(5,639)	(6,787)	(5,639)
	4,252	2,047	2,424	2,047

Hire purchase assets

At Cost	1,184	58	57	58
Less accumulated amortisation	(325)	(32)	(39)	(32)
	859	26	18	26

Total Owned Plant and Equipment	5,111	2,073	2,442	2,073
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Capitalised Leased Plant and Equipment

At cost	2,823	2,118	2,823	2,118
Less accumulated amortisation	(805)	(759)	(805)	(759)
	2,018	1,359	2,018	1,359

Total Property, Plant and Equipment	7,681	3,744	4,707	3,744
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Notes to the Financial Statements

for the Year Ended 30 June 2008

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

2008	Note	Leasehold improvements \$'000	Plant & equipment \$'000	Leased plant & equipment \$'000	Total \$'000
Consolidated Entity					
Balance at the beginning of year		312	2,073	1,359	3,744
Additions		267	1,777	1,323	3,367
Disposals		-	(103)	(41)	(144)
Acquisitions through acquisitions of entities or operations		111	2,927	-	3,038
Depreciation/amortisation	3	(138)	(1,759)	(427)	(2,324)
Carrying amount at the end of year		552	4,915	2,214	7,681
Parent Entity					
Balance at the beginning of year		312	2,073	1,359	3,744
Additions		31	1,279	1,323	2,633
Disposals		-	(85)	(41)	(126)
Acquisitions through acquisitions of entities or operations		-	-	-	-
Depreciation/amortisation	3	(97)	(1,020)	(427)	(1,544)
Carrying amount at the end of year		246	2,247	2,214	4,707
2007					
Consolidated 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
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

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Note	Consolidated		Parent Entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Note 13: Tax					
(a) Liabilities					
CURRENT					
Income Tax		258	2,644	258	2,644
NON-CURRENT					
Deferred tax liability	(c)	2,295	122	154	122
		2,295	122	154	122
(b) Assets					
Deferred tax assets	(c)	1,409	689	633	689
		1,409	689	633	689
(c) Reconciliations					
	Opening Balance \$'000	Charged to Income \$'000	Charged directly to Equity \$'000	Changes in Tax Rate \$'000	Closing Balance \$'000
Consolidated Group					
Deferred Tax Liability					
Plant and Equipment					
- tax allowance	77	45	-	-	122
Balance at 30 June 2007	77	45	-	-	122
Plant and Equipment					
- tax allowance	122	103	-	-	225
Intangible Asset Adjustment	-	-	2,070	-	2,070
Balance at 30 June 2008	122	103	2,070	-	2,295
Deferred Tax Assets					
Provisions	825	(136)	-	-	689
Balance at 30 June 2007	825	(136)	-	-	689
Provisions	689	103	-	-	792
Transferred In	-	-	617	-	617
Balance at 30 June 2008	689	103	617	-	1,409

Notes to the Financial Statements

for the Year Ended 30 June 2008

Reconciliations (cont'd)					
	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rate	Closing Balance
Parent Entity					
Deferred Tax Liability					
Plant and Equipment					
- tax allowance	77	45	-	-	122
Balance at 30 June 2007	77	45	-	-	122
Plant and Equipment					
- tax allowance	122	32	-	-	154
Balance at 30 June 2008	122	32	-	-	154
Deferred Tax Assets					
Provisions	825	(136)	-	-	689
Balance at 30 June 2007	825	(136)	-	-	689
Provisions	689	(56)	-	-	633
Balance at 30 June 2008	689	(56)	-	-	633

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Note 14: Non-Current Assets - Intangible Assets				
Goodwill at deemed cost	3,278	1,543	3,278	1,543
Goodwill on consolidation	44,218	11,482	-	-
Less accumulated impairment losses at deemed cost	(1,535)	(1,535)	-	-
Total Non-Current Intangible Assets	45,961	11,490	3,278	1,543
Customer Relationships at independent valuation - 1 November 2007	6,900	-	-	-
Less accumulated amortisation	(703)	-	-	-
	6,197	-	-	-
	52,158	11,490	3,278	1,543

	Goodwill	Customer Relationships
	\$000	\$000
Consolidated Entity		
Year ended 30 June 2007		
Balance at the beginning of year	11,490	-
Impairment losses	-	-
Closing carrying value at 30 June 2007	11,490	-
Year ended 30 June 2008		
Balance at the beginning of year	11,490	-
Additions	34,471	6,900
Amortisation charge	-	(703)
Closing carrying value at 30 June 2008	45,961	6,197

Intangible assets, other than goodwill, have finite lives. The current amortisation for intangible asset are included under depreciation and amortisation expense per the income statement. Goodwill has an infinite life.

Notes to the Financial Statements

for the Year Ended 30 June 2008

Impairment Disclosures

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

CGU	2008	2007
	\$'000	\$'000
Contracting Solutions	11,490	11,490
Building Services	34,471	-
Total	45,961	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	2008	2008	2007	2007
	Growth Rate	Discount Rate	Growth Rate	Discount Rate
Contracting Solutions	3.00%	12.45%	3.00%	12.45%
Building Services	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. Management believes that the risks associated with both business segments are essentially the same and has used the same discount rates for both segments.

Impact of possible changes to key assumptions

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.

The acquisition of the Triple M group of companies was accounted for on a provisional basis at 31 December 2007 per AASB 3: Business Combinations. As at 30 June 2008, Customer Relationships have been separately identified with the overall effect being, that Goodwill has been reduced by \$6.9 million and Intangible Assets have been increased by \$6.9 million. As a consequence, amortisation has been put through the Income Statement which has reduced Net Profit by \$703,000. An adjustment has been made to gross up the customer relationships intangible by increasing Goodwill on Consolidation and providing for Deferred Income Tax in the amount of \$2.07m.

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 15: Other Financial Assets

Shares in subsidiaries	-	-	42,720	-
Shares in other corporations	4	-	-	-
	4	-	42,720	-

(a) Details of Group Companies

	Country of incorporation	Class of shares	Percentage Owned (%)	
			2008	2007
Parent Entity:				
BSA Limited	Australia		-	-
Ultimate Parent Entity:				
BSA Limited	Australia		-	-
Controlled Entities:				
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
(2) Triple M Group Pty Limited	Australia	Ordinary	100	100
(1) Water Tank Installations Pty Limited	Australia	Ordinary	100	100
Formerly				
(1) Broadcast Services Australia Share Plans Pty Limited				
(2) Hotwater Australia Pty Limited				

(b) Acquisition of Subsidiaries (Note 26)

On 1 August 2007 the parent entity acquired 100% of the Triple M group of companies. 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 \$28,369,380. The issue price was based on the lower of the volume weighted average price of the ordinary shares of BSA Limited on the ASX for the 40 day trading period ending on the trading day 2 Business Days prior to the date of the Share Sale Agreement and 68.0 cents.

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 16: Trade and Other Payables

Current

Trade payables	9,951	3,377	2,321	3,377
Other payables	12,822	8,934	8,946	8,934
Amounts due to customers for contract work	5,176	-	-	-
Amounts payable to wholly owned subsidiaries	-	-	6,038	-
Total Payables	27,949	12,311	17,305	12,311



Notes to the Financial Statements

for the Year Ended 30 June 2008

	Note	Consolidated		Parent Entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Note 17: Borrowings					
Current					
Secured liabilities:					
Bank overdrafts	(a)	-	2	-	2
Hire purchase liabilities	(b), 21	590	10	12	10
Lease liabilities	(b), 21	449	363	449	363
Bank loans	(a)	4,500	-	4,500	-
Total Borrowings		5,539	375	4,961	375
Non-Current					
Hire purchase liabilities	(b), 21	1,090	11	-	11
Bank loans	(a)	17,000	-	17,000	-
Lease liabilities	(b), 21	1,640	963	1,640	963
Total Borrowings		19,730	974	18,640	974

- (a) The bank overdrafts and loans 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 \$41,970,000 between the parent entity and its subsidiaries. The covenants within the bank borrowings require minimum interest cover of 4 times, debt service cover to be greater than 1.75 times and minimum senior financial debt to be less than 2.5 times. Bank overdrafts and bills of exchange and promissory notes are repayable on demand and currently bear interest at a floating rate of 8.22% (2007 : 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.

Total financial assets pledged as security

Current					
Cash at bank and on hand		4,336	3,422	838	3,422
Trade receivables		26,459	16,852	12,734	16,852
Other receivables		10,771	10,925	10,730	10,925
Contract Retentions		1,011	-	-	-
Prepayments		586	344	399	344
		43,163	31,543	24,701	31,543
Non-current					
Term receivables		24	74	24	74
Other receivables		2,437	1,029	2,437	1,029
		2,461	1,103	2,461	1,103
		45,624	32,646	27,162	32,646

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 18: Provision for Employee Benefits

	Long Term Employee Benefits
Consolidated Group	
Opening Balance at 1 July 2007	356
Additional provisions	169
Amounts used	(20)
Transferred In	170
Balance at 30 June 2008	675
Parent Entity	
Opening Balance at 1 July 2007	356
Additional provisions	24
Amounts used	(18)
Balance at 30 June 2008	362

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Analysis of Total Provisions				
Non-current	675	356	362	356

Provision for Employee Benefits

A provision has been recognised for employee benefits 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.

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 19: Contributed Equity

(a) Share capital	Note	Parent Entity		Parent Entity	
		2008	2007	2008	2007
		Number of Shares	Number of Shares	\$'000	\$'000
Ordinary shares - fully paid	(c)	188,702,797	156,726,408	68,835	49,477

(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
	Less: transaction costs arising on shares issued				(13)
30 June 2007	Balance		156,726,408		49,477
19 July 2007	Shares issued under Executive Securities Plan	(e)	1,600,000	0.63	1,008
	Effect of present value on Executive Securities Plan				(175)
31 July 2007	Shares issued for the acquisition of Triple M		21,103,822	0.68	14,351
11 September 2007	Shares issued under Executive Securities Plan	(e)	150,000	0.68	102
	Effect of present value on Executive Securities Plan				(18)
13 September 2007	Shares issued under Executive Securities Plan	(e)	400,000	0.68	272
	Effect of present value on Executive Securities Plan				(47)
3 October 2007	Dividend Reinvestment Plan	(f)	3,303,418	0.46	1,520

Notes to the Financial Statements

for the Year Ended 30 June 2008

(b) Movements in ordinary share capital (cont'd)

Date	Details		Number of Shares	Issue Price \$	\$'000
14 December 2007	Shares issued under Executive Securities Plan	(e)	400,000	0.68	272
	Effect of present value on Executive Securities Plan				(47)
14 March 2008	Options converted to shares	(d)	1,000,000	0.26	260
15 April 2008	Dividend Reinvestment Plan	(f)	4,019,149	0.47	1,889
			188,702,797		68,863
	Less: transaction costs arising on shares issued		-		(28)
			188,702,797		68,835

(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 2008 totalled \$28,223. Pursuant to the policy described in Note 1(q), 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 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 20: Reserves and Accumulated Losses

Reserves

Share-based payments reserve	1,194	1,146	1,194	1,146
	1,194	1,146	1,194	1,146

Share-based payments reserve

Opening balance	1,146	945	1,146	945
Option expense	48	201	48	201
Closing balance	1,194	1,146	1,194	1,146

The share-based payments reserve records items recognised as expenses on valuation of employee share options.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
Note	\$'000	\$'000	\$'000	\$'000

Note 21: Capital and Leasing 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.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	1,805	1,014	1,227	1,014
Later than one year but not later than five years	3,159	1,994	2,070	1,994
Later than five years	-	-	-	-
	4,964	3,008	3,297	3,008

(ii) Finance Lease Commitments

The Group leases various plant and equipment with a carrying amount of \$2,018,000 (2007: \$1,359,000) 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.

Commitments in relation to finance leases are payable as follows:

Within one year	606	496	606	496
Later than one year but not later than five years	1,848	1,017	1,848	1,017
Later than five years	-	-	-	-
Minimum lease payments	2,454	1,513	2,454	1,513
Less future finance charges	(365)	(187)	(365)	(187)
Total Lease Liability	2,089	1,326	2,089	1,326

Represented by:

Current liability	17	449	363	449	363
Non-current liability	17	1,640	963	1,640	963
		2,089	1,326	2,089	1,326

Notes to the Financial Statements

for the Year Ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
Note	\$'000	\$'000	\$'000	\$'000

Note 21: Capital and Leasing Commitments (cont'd)

(iii) Hire Purchase Commitments

The Group has purchased various plant and equipment with a carrying amount of \$859,000 (2007: \$26,000) 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	590	11	11	11
Later than one year but not later than five years	1,090	11	-	11
Later than five years	-	-	-	-
Minimum payments	1,680	22	11	22
Less future finance charges	-	(1)	-	(1)
Total Hire Purchase Liability	1,680	21	11	21
Represented by:				
Current liability	17	590	10	11
Non-current liability	17	1,090	11	-
		1,680	21	11

(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	460	483	460	483
Later than one year and not later than five years	1,036	102	1,036	102
Later than five years	-	-	-	-
	1,496	585	1,496	585

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

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 22: Contingencies

Contingent Liabilities

The parent entity and controlled entities had contingent liabilities at 30 June 2008 in respect of:

Guarantees

Guarantees given in respect of leasing facilities amounting to \$3,769,169 (2007 - \$1,338,251) 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 \$394,629 (2007 - \$249,635)
- (b) performance of certain contracts amounting to \$4,968,205 (2007 - \$700,000)

Note 23: Segment Information

Business and Geographic Segments

Business segments

The consolidated entity is organised into the following industry segments

Contracting Solutions

Provides contracting services to the telecommunications, subscription television and communication industries. The contracting services include the delivery of bundled services over hybrid fibre coax network, the installation of subscription television, the installation of free to air television antennas and security systems.

Building Services

Provides the designs, installation and maintenance of building services for commercial and industrial buildings including: mechanical services, air conditioning, heating and ventilation, refrigeration and fire services.

Geographic segments

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

Primary reporting - Business segments

2008	Contracting Solutions	Building Services	Consolidated
	\$'000	\$'000	\$'000
Sales to external customers	161,575	82,307	243,882
Other revenue	255	310	565
Total segment revenue	161,830	82,617	244,447
Segment result	7,442	4,294	11,736
Income tax expense			(3,716)
Net profit			8,020
Segment Assets and Liabilities			
Segment assets	84,503	25,258	109,761
Segment liabilities	40,843	15,603	56,446

Notes to the Financial Statements

for the Year Ended 30 June 2008

Other Segment Information

Acquisition of property, plant and equipment, intangibles and other non current segment assets

	2,633	734	3,367
Depreciation and amortisation expenses	2,247	780	3,027
Other non-cash expenses	48	-	48
Impairment losses	(18)	18	-

Primary reporting - Business segments

2007	Contracting Solutions	Building Services	Consolidated
	\$'000	\$'000	\$'000
Sales to external customers	158,973	-	158,973
Other revenue	312	-	312
Total segment revenue	159,285	-	159,285
Segment result	12,923	-	12,923
Income tax expense			(3,939)
Net profit			8,984

Segment Assets and Liabilities

Segment assets	52,195	-	52,195
Segment liabilities	16,782	-	16,782

Other Segment Information

Acquisition of property, plant and equipment, intangibles and other non current segment assets

	2,129	-	2,129
Depreciation and amortisation expenses	1,371	-	1,371
Other non-cash expenses	201	-	201
Impairment losses	202	-	202

Notes to the Financial Statements

for the Year Ended 30 June 2008

Secondary reporting - Geographical segments

	Segment Revenues		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment Assets	
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	243,882	158,973	109,761	52,195	3,367	2,129

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.

The Directors believe that the previously reported segments of BSA Limited now have essentially the same characteristics and should be consolidated into one segment, with a newly created segment for the Building Services division acquired during the current financial year.

Impairment Losses

There was no impairment loss relating to goodwill recognised as an expense (2007: Nil).

Share-based Payment Expense

A share-based payment expense amounting to \$48,329(2007: \$201,359) relating to options granted to certain employees was recognised as an expense.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 24: Cash Flow Information

(a) Reconciliation of profit after income tax to net cash flows for the year

Profit for the year	8,020	8,984	4,222	8,984
Depreciation and amortisation	3,027	1,371	1,544	1,371
Share-based payment expense	48	201	48	201
Net profit on sale of non-current assets	(33)	(68)	(23)	(68)
Change in operating assets and liabilities				
Decrease/(increase) in trade receivables	2,329	(5,207)	4,118	(5,207)
Decrease/(increase) in inventories	924	(526)	876	(526)
(Increase)/decrease in deferred tax asset	(85)	136	73	136
Decrease/(increase) in other operating assets	560	(1,251)	3,254	(1,251)
(Decrease) in trade payables	(159)	(217)	(1,056)	(217)
Increase/(decrease) in other operating liabilities	1,551	968	(558)	968
(Decrease)/Increase in provision for income taxes payable	(2,983)	2,399	(2,470)	2,399
Increase in provision for deferred taxes payable	103	45	32	45
Increase in provisions	149	224	6	224
Cashflow from operations	13,451	7,059	10,066	7,059

Notes to the Financial Statements

for the Year Ended 30 June 2008

(b) Non-cash Financing and Investing Activities

- (i) During the year the consolidated entity acquired plant and equipment with an aggregate value of \$1,470,000 (2007:\$717,000) by means of finance leases. These acquisitions are not reflected in the cash flow statement.
- (ii) During the year the consolidated entity issued shares under the Executive Securities Plan with a value of \$1,367,000 (2007: \$133,000) by means of a loan. This issue is not reflected in the cash flow statement.
- (iii) During the year the consolidated 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 \$3,409,000 (2007: \$1,467,000).
- (iv) During the year the consolidated entity issued shares as part of the purchase consideration for the Triple M group of companies with a value of \$14,350,599 (2007 : Nil). This issue is not reflected in the cash flow statement.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
(c) Credit Standby Arrangements with Banks				
Credit facility	10,000	10,000	10,000	10,000
Amount utilised	(4,500)	-	(4,500)	-
Unused credit facility	5,500	10,000	5,500	10,000

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 8.22% (2007: 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.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
(d) Loan facilities				
Loan facilities	25,000	-	25,000	-
Amount utilised	(17,000)	-	(17,000)	-
Unused loan facility	8,000	-	8,000	-

The major facilities are summarised as follows:

Acquisition Finance Loans

Loan 1 is for \$10,000,000 with an expiry date of 31 August 2010. Loan 2 is for \$15,000,000 with an expiry date of 31 August 2012. Interest rates are variable. The current interest rate is 8.8% (2007: Nil)

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.

(e) Guarantees

Guarantees given in respect of the above facilities of which \$21,500,000 was utilised at 30 June 2008 (2007: \$Nil), 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.

Notes to the Financial Statements

for the Year Ended 30 June 2008

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 Number	Granted During the Year Number	Exercised During the Year Number	Forfeited During the Year Number	Balance at End of Year Number	Exercisable at End of the Year Number
Consolidated and parent entity - 2008								
28 Jun 2004	10 Nov 2009	0.26	333,334	-	(333,334)	-	-	-
28 Jun 2004	10 Nov 2010	0.26	333,333	-	(333,333)	-	-	-
28 Jun 2004	10 Nov 2011	0.26	333,333	-	(333,333)	-	-	-
28 Jun 2004	30 Jun 2008	0.26	100,000	-	-	(100,000)	-	-
28 Jun 2004	30 Jun 2009	0.26	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	6,000,000
Total			7,400,000	-	(1,000,000)	(100,000)	6,300,000	6,300,000
Weighted average exercise price			0.43	0.00	0.26	0.26	0.46	0.46

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

Notes to the Financial Statements

for the Year Ended 30 June 2008

Other model inputs for options granted included:

- expected price volatility of the company's shares: 50% (2007 - 50%)
- expected dividend yield: 0% (2007 - 0%)
- risk-free interest rate: 5.00% to 5.18% (2007 - 5.00% to 5.18%)

There were 1,000,000 options exercised during the year ended 30 June 2008. These options had a weighted average share price of 26 cents at exercise date. 100,000 options expired during the year ended 30 June 2008. These options had a weighted average share price of 26 cents at the date of cancellation.

The options outstanding at 30 June 2008 had a weighted average exercise price of 46 cents and a weighted average remaining contractual life of 1.4 years. Exercise prices range from 26 cents to 47 cents in respect of options outstanding at 30 June 2008.

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 \$48,329 (2007: \$201,359), 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 executive 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 balance sheet 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 2008 (2007 : Nil).

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.

Under the Loan Agreement, the borrower shall repay the balance outstanding of the Outstanding Principal when the borrower ceases to be an employee or director of the Lender. BSA Limited has adopted the policy of having a rolling three year maturity date for all executives who do not have a termed employment contract.

Notes to the Financial Statements

for the Year Ended 30 June 2008

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

Grant Date	Expiry Date	Issue Price (cents)	Balance at Start of the Year Number	Granted During the Year Number	Released from Escrow During the Year Number	Balance in Escrow at End of the Year Number
Consolidated and parent entity						
12 Jan 2006	11 Jan 2009	0.24	4,000,000	-	-	4,000,000
13 Oct 2006	30 Jun 2011	0.23	700,000	-	-	700,000
19 Jul 2007	30 Jun 2011	0.63	-	1,600,000	-	1,600,000
11 Sep 2007	30 Jun 2011	0.68	-	150,000	-	150,000
13 Sep 2007	30 Jun 2011	0.68	-	400,000	-	400,000
14 Dec 2007	30 Jun 2011	0.68	-	400,000	-	400,000
Total			4,700,000	2,550,000	-	7,250,000

Note 26: Business Combination

(a) Summary of acquisition

On 1 August 2007, the Group acquired 100% of the issued capital of Triple M Mechanical Services Pty Ltd and associated companies.

The acquired business contributed revenues of \$82,306,619 and net profit of \$4,500,987 to the Group for the period from 1 August 2007 to 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated profit for the year ended 30 June 2008 would have been \$249,205,051 and \$7,921,581 respectively. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been charged assuming fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2007, together with the consequential tax effects.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

Purchase consideration (refer to (b) below):

Cash consideration	28,369,380
Equity consideration	14,350,599
Direct costs relating to the acquisition	1,735,260
Total purchase consideration	44,455,239
Fair value of identifiable assets acquired (refer to (c) below)	9,983,482
Goodwill (refer to (c) below and note 14)	34,471,757
	44,455,239

Notes to the Financial Statements

for the Year Ended 30 June 2008

(b) Purchase consideration

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Outflow of cash to acquire subsidiary, net of cash acquired				
Cash consideration	30,105	-	30,105	-
Less: Balances acquired				
Cash	3,671	-	-	-
Outflow of cash	26,434	-	30,105	-

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	\$	\$
Cash	3,760,473	3,760,473
Receivables	13,585,644	13,585,644
Inventories	183,298	183,298
Property, plant and equipment	3,036,349	3,036,349
Deferred tax asset	617,229	617,229
Investments	3,558	3,558
Intangible assets: customer relations	-	6,900,000
Payables	(14,091,456)	(14,091,456)
Bank overdraft	(89,848)	(89,848)
Provision for employee benefits	(1,514,540)	(1,514,540)
Provision for Deferred Tax Liability	-	(2,070,000)
Retirement benefit obligations	(337,225)	(337,225)
Net identifiable assets acquired	5,153,482	9,983,482

The above goodwill is attributable to Triple M's strong position and competitive advantage in the building services market. The fair value of assets and liabilities acquired are based on discounted cash flow models. No acquisition provisions were created. There were no acquisitions in the year ending 30 June 2007.

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 27: Events Occurring After the Balance Sheet Date

No events requiring disclosure have occurred after the balance sheet date.

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000

Note 28: 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 5.

Consultancy fees were paid to M Givoni	-	35	-	35
Consultancy fees were paid to P Teisseire	-	35	-	35
Rent was paid to Day Street Unit Trust in which M Lowe, a director, has a beneficial interest.	226	-	-	-

Outstanding balances arising from purchases of services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<i>Purchase of services</i>				
Rent for premises from key management personnel	30	-	-	-

Note 29: Financial Instruments

Categories of Financial Instruments

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Loans and receivables (including cash & cash equivalents)	45,624	32,646	27,162	32,646
Financial liabilities				
Payables	27,180	12,055	17,046	12,055
Borrowings	25,269	1,349	23,601	1,349
Financial Liabilities at amortised cost	52,449	13,404	40,647	13,404

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 30: Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

- trade receivables
- cash at bank
- bank overdrafts
- trade and other payables
- borrowings

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. 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 Board receives monthly reports from the Finance Department through which it reviews the effectiveness of the processes put in place and the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle the obligations owing to the Group.

BSA Limited derives 75% (2007: 92%) of its revenue from its major clients Foxtel, Austar, Telstra, Siemens Thiess, Optus, Brookfield Multiplex and J Hutchinson. Group policy is that sales are only made to customers that are credit worthy.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated		Parent	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Receivables	45,624	32,646	27,162	32,646
	45,624	32,646	27,162	32,646

Included in loans and receivables is a significant customer, which accounts for 23% of trade receivables at 30 June 2008. (2007:0%).

The maximum exposure to credit risk at balance date by country is as follows:

	Consolidated		Parent	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Australia	45,624	32,646	27,162	32,646
	45,624	32,646	27,162	32,646

Notes to the Financial Statements

for the Year Ended 30 June 2008

The maximum exposure to credit risk for trade receivables at balance date by type of customer is as follows:

	Consolidated		Parent	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Contracting Solutions	27,162	32,646	27,162	32,646
Building Services	18,462	-	-	-
	45,624	32,646	27,162	32,646

The Group's most significant customer, a Contracting Solutions customer, accounts for \$6,216,005 of trade receivables at 30 June 2008 (2007: \$Nil).

All major customers are credit worthy, as detailed above.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. It is the policy of the Board of Directors that treasury maintain adequate committed credit facilities and the ability to close-out market positions.

Note 30: Financial Risk Management (cont'd)

Financing arrangements

The following financing facilities were available at balance date:

	Consolidated		Parent	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Credit stand-by arrangements				
Total facilities:				
Working Capital Facility	10,000	10,000	10,000	10,000
Used at balance date:				
Working Capital Facility	4,500	-	4,500	-
Unused at balance date:				
Working Capital Facility	5,500	10,000	5,500	10,000
Bank loans				
Total facilities:				
	25,000	-	25,000	-
Used at balance date				
	17,000	-	17,000	-
Unused at balance date				
	8,000	-	8,000	-
Total unused credit facilities at balance date	13,500	10,000	13,500	10,000

The working capital facility may be drawn down for terms between 7 and 180 days subject to expiry date of facility and is subject to annual review. The bank loans may be drawn down at any time and have a maximum expiry date of 31 August 2012.

Notes to the Financial Statements

for the Year Ended 30 June 2008

Maturity Analysis - Group - 2008						
Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Bank loans	21,500	27,074	4,538	-	2,206	20,330
Trade Creditors	9,951	9,951	9,951	-	-	-
Finance lease liabilities	2,089	2,454	-	606	1,848	-
TOTAL	33,540	39,479	14,489	606	4,054	20,330

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Trade debtors	26,459	26,912	26,912	-	-	-
Other receivables	14,829	15,183	12,368	-	24	2,791
TOTAL	41,288	42,095	39,280	-	24	2,791

Maturity Analysis - Group - 2007						
Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Bank loans	-	-	-	-	-	-
Trade Creditors	3,377	3,377	3,377	-	-	-
Finance lease liabilities	1,326	1,513	-	496	1,017	-
Bank overdrafts	2	2	2	-	-	-
TOTAL	4,726	4,914	3,379	507	1,028	-

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Trade debtors	16,852	17,160	17,160	-	-	-
Other receivables	12,372	12,480	11,269	50	24	1,137
TOTAL	29,224	29,640	28,429	50	24	1,137

Notes to the Financial Statements

for the Year Ended 30 June 2008

Maturity Analysis - Parent - 2008						
Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Bank loans	21,500	27,074	4,538	-	2,206	20,330
Trade Creditors	2,321	2,321	2,321	-	-	-
Finance lease liabilities	2,089	2,454	-	606	1,848	-
TOTAL	25,910	31,849	6,859	606	4,054	20,330

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Trade debtors	12,734	12,985	12,985	-	-	-
Other receivables	13,590	13,944	11,129	-	24	2,791
TOTAL	26,324	26,929	24,114	-	24	2,791

Maturity Analysis - Parent - 2007						
Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Bank loans	-	-	-	-	-	-
Trade Creditors	3,377	3,377	3,377	-	-	-
Finance lease liabilities	1,326	1,513	-	496	1,017	-
Bank overdrafts	2	2	2	-	-	-
TOTAL	4,726	4,914	3,379	507	1,028	-

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Trade debtors	16,852	17,160	17,160	-	-	-
Other receivables	12,372	12,480	11,269	50	24	1,137
TOTAL	29,224	29,640	28,429	50	24	1,137

Notes to the Financial Statements

for the Year Ended 30 June 2008

(d) Market Risk

Interest rate risk

The Group's main interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. For further details of exposure to interest rate risk refer Note 10 Trade and Other Receivables and Note 17 Borrowings.

The group monitors its interest rate exposure continuously. The Group also considers on a continuous basis alternative financing opportunities, hedging positions and renewal of existing positions.

The Groups' exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

2008	Floating rates	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets									
Cash and Cash equivalents	4,336	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	38,293	-
Loans to key management personnel	-	-	-	-	-	-	-	2,437	-
Total Financial Assets	4,336	-	-	-	-	-	-	40,730	-
Financial Liabilities									
Trade Payables	-	-	-	-	-	-	-	27,949	-
Lease liabilities	-	-	-	-	-	-	-	-	-
Bank loans	21,500	1,533	1,495	1,349	1,368	194	-	-	5,939
Total Financial Liabilities	21,500	1,533	1,495	1,349	1,368	194	-	27,949	5,939
Weighted average interest rate	7.62%							0.00%	

2007	Floating rates	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets									
Cash and Cash equivalents	3,422	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	28,599	-
Loans to key management personnel	-	-	-	-	-	-	-	1,029	-
Total Financial Assets	3,422	-	-	-	-	-	-	29,628	-
Financial Liabilities									
Bank overdrafts	2	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	12,311	-
Lease liabilities	-	-	-	-	-	-	-	-	-
Bank loans	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	2	-	-	-	-	-	-	12,311	-
Weighted average interest rate	0.00%							0.00%	

Notes to the Financial Statements

for the Year Ended 30 June 2008

The Parent's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

2008	Floating rates	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Non- interest bearing	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial Assets										
Cash and Cash equivalents	838	-	-	-	-	-	-	-	-	
Receivables	-	-	-	-	-	-	-	24,138	-	
Loans to key management personnel	-	-	-	-	-	-	-	2,437	-	
Total Financial Assets	838	-	-	-	-	-	-	26,575	-	
Financial Liabilities										
Trade Payables	-	-	-	-	-	-	-	17,305	-	
Lease liabilities	-	-	-	-	-	-	-	-	-	
Bank loans	21,500	1,533	1,495	1,349	1,368	194	-	3,000	5,939	
Total Financial Liabilities	21,500	1,533	1,495	1,349	1,368	194	-	20,305	5,939	
Weighted average interest rate	7.62%							0.00%		

2007	Floating rates	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Non- interest bearing	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial Assets										
Cash and Cash equivalents	3,422	-	-	-	-	-	-	-	-	
Receivables	-	-	-	-	-	-	-	28,599	-	
Loans to key management personnel	-	-	-	-	-	-	-	1,029	-	
Total Financial Assets	3,422	-	-	-	-	-	-	29,628	-	
Financial Liabilities										
Bank overdrafts	2	-	-	-	-	-	-	-	-	
Trade Payables	-	-	-	-	-	-	-	12,311	-	
Lease liabilities	-	-	-	-	-	-	-	-	-	
Total Financial Liabilities	2	-	-	-	-	-	-	12,311	-	
Weighted average interest rate	0.00%							0.00%		

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 30: Financial Risk Management (cont'd)

Sensitivity Analysis

Consolidated - 2008	Carrying Amount	+2% of AUD IR		-2% of AUD IR	
	AUD	Profit	Other Equity	Profit	Other Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings AUD	21,500	430	-	(430)	-
Tax charge of 30%	-	(129)	-	129	-
After tax increase/ (decrease)	21,500	301	-	(301)	-

The above analysis assumes all other variables remain constant.

The same analysis was performed for the period ended 30 June 2007.

Consolidated - 2007	Carrying Amount	+2% of AUD IR		-2% of AUD IR	
	AUD	Profit	Other Equity	Profit	Other Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings AUD	-	-	-	-	-
Tax charge of 30%	-	-	-	-	-
After tax increase/ (decrease)	-	-	-	-	-

The above analysis assumes all other variables remain constant.

The same analysis was performed for the period ended 30 June 2006.

Parent - 2008	Carrying Amount	+2% of AUD IR		-2% of AUD IR	
	AUD	Profit	Other Equity	Profit	Other Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings AUD	21,500	430	-	(430)	-
Tax charge of 30%	-	(129)	-	129	-
After tax increase/ (decrease)	21,500	301	-	(301)	-

The above analysis assumes all other variables remain constant.

The same analysis was performed for the period ended 30 June 2007.

Parent - 2007	Carrying Amount	+2% of AUD IR		-2% of AUD IR	
	AUD	Profit	Other Equity	Profit	Other Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings AUD	-	-	-	-	-
Tax charge of 30%	-	-	-	-	-
After tax increase/ (decrease)	-	-	-	-	-

The above analysis assumes all other variables remain constant.

The same analysis was performed for the period ended 30 June 2006.

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 31: Capital Risk Management

The Group considers its capital to comprise its ordinary share capital, share-base payment reserve and accumulated retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues or the reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's policy to maintain its gearing ratio within the range of 35 - 45% (2007: 35 -45%). The Group's gearing ratio at the balance sheet date is shown below :

Gearing ratios	Consolidated		Parent	
	2008	2007	2008	2007
Net debt	20,933	(2,073)	22,763	(2,073)
Total equity	53,315	35,413	39,570	25,466
Total Capital Gearing Ratio	39.26%	(5.85%)	57.53%	(8.14%)

The increase in gearing has been brought about by the Board's decision to take on additional debt finance to fund the acquisition of a new subsidiary undertaking in the year; the Group intends to maintain these gearing levels going forward. There have been no other significant changes to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital.

BSA Limited complied with all externally imposed capital requirements to which it is subject.

Notes to the Financial Statements

for the Year Ended 30 June 2008

Note 32: Corporate Information

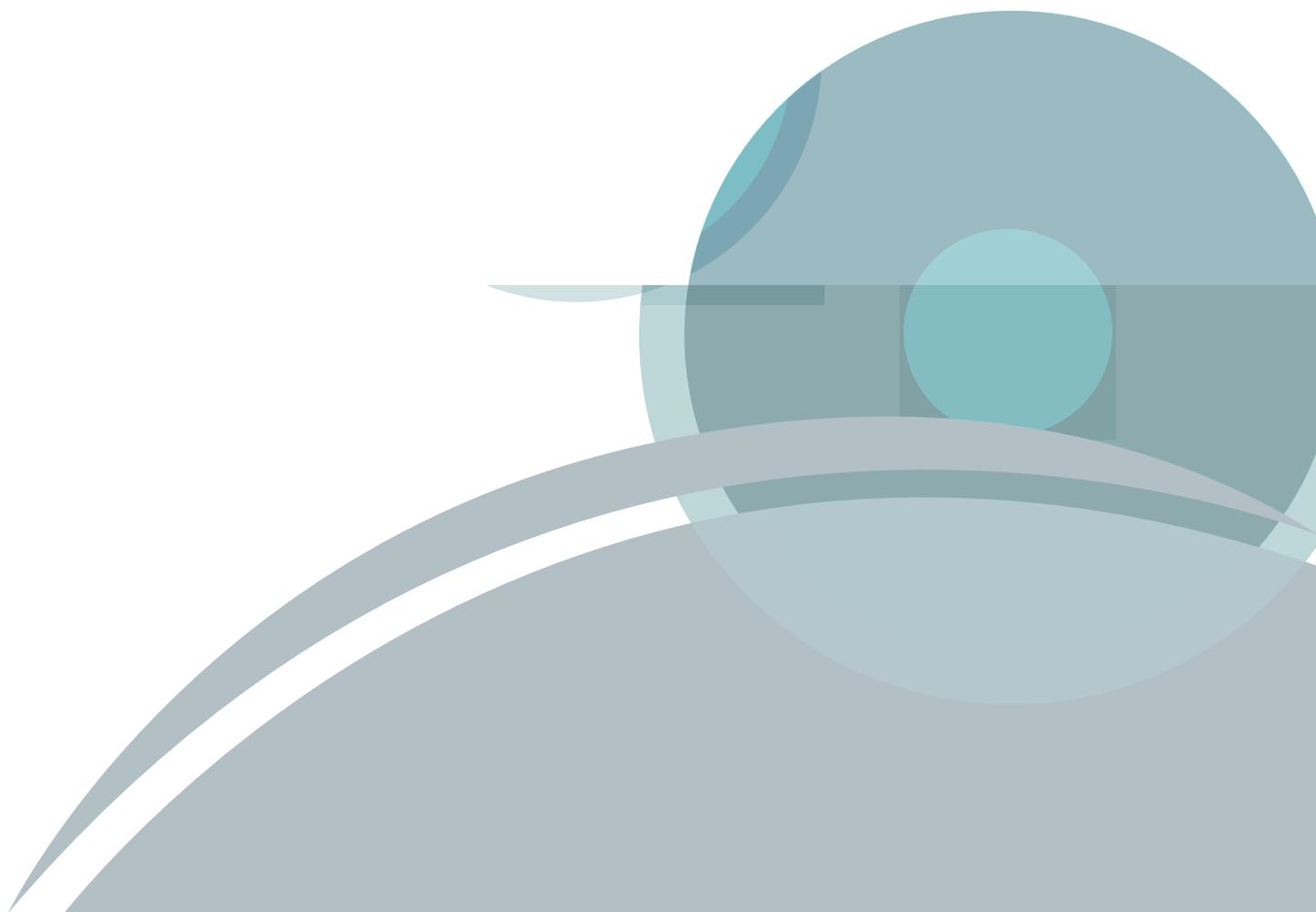
The financial report of BSA Limited for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 29 September 2008 and covers BSA Limited as an individual entity as well as the consolidated entity consisting of BSA Limited and its subsidiaries as required by the Corporations Act 2001. BSA Limited is a company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian stock exchange.

The financial report is presented in Australian currency.

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

Unit 8, 79-99 St Hilliers Road

Auburn NSW 2144



Director's 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 and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the
 - b. 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 remuneration disclosures included on pages 16 to 22 of the Directors' Report (as part of the audited Remuneration Report) for the year ended 30 June 2008, comply with Section 300A of the Corporations Act 2001.
4. 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:

Ross Johnston

Director

Paul Teisseire

Director

Sydney 29 September 2008



BDO Kendalls

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www.bdo.com.au

ABN 57 908 209 104

INDEPENDENT AUDITOR'S REPORT

To the members of BSA 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 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls 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 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.

BDO Kendalls is a national association of separate partnerships and entities.
Liability limited by a scheme approved under Professional Standards Legislation.

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 it had been given to the directors at the time that this auditor's report was made.

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 the consolidated entity's financial position as at 30 June 2008 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 financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 22 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of BSA Limited for the year ended 30 June 2008 complies with section 300A of the *Corporations Act 2001*.



BDO Kendall's



Jeff Abela
Partner

Sydney, 29 September 2008.

Shareholder Information

The shareholder information set out below was applicable as at 29 August 2008.

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	150	81,828
1,001 to 5,000	627	1,872,259
5,001 to 10,000	288	2,280,994
10,001 to 100,000	486	16,336,675
100,001 and above	97	168,131,041
	1,648	188,702,797

There were 366 (2007: 94) 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	40,032,037	21.21%
Link Enterprises (Holdings) Pty Ltd	20,927,409	11.09%
Mr Mark Foley	9,138,351	4.84%
Mr Greg Mullane	7,548,743	4.00%
Cogent Nominees Pty Limited	7,408,002	3.93%
Setlobe Pty Ltd Lowe Family A/c	7,392,405	3.92%
Rumdab Pty Ltd Bowles Family A/c	6,370,655	3.38%
Citicorp Nominees Pty Limited CFSIL CWLTH SMALL CO 7	5,318,798	2.82%
J P Morgan Nominees Australia Limited	4,620,626	2.45%
ANZ Nominees Limited Income Reinvest Plan A/c	4,005,283	2.12%
National Nominees Limited	3,953,008	2.09%
Citicorp Nominees Pty Limited CFSIL CWLTH SML COS 1 A/C	3,844,232	2.04%
Summer Enterprises Pty Ltd Finewrap Inter Invest A/C	3,499,131	1.85%
Mrs Helen Gandel Mr Tony Gandel	3,397,558	1.80%
Hawke & Tusk Pty Limited	2,985,928	1.58%
ANZ Nominees Limited Cash Income A/C	2,944,986	1.56%
Mr Brian Baldwin	2,756,713	1.46%
Citicorp Nominees Pty Limited	2,734,525	1.45%
Mr Mark Lowe	2,711,869	1.44%
Taloombi Pty Ltd	1,721,257	0.91%
Top 20 Shareholders	143,311,516	75.95%

C. Substantial Shareholders

Substantial shareholders in the company are set out below:

Ordinary Shares	Number Held	Percentage
Birketu Pty Ltd	40,032,037	21.21%
Link Enterprises (Holdings) Pty Ltd	20,927,409	11.09%
Mr Mark Lowe controlled holdings	10,557,403	5.59%

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

Share Registry

Computershare Investor Services Pty Ltd

GPO Box 2975
Melbourne VIC 3001
Australia
Phone: 1300 85 05 05
Outside Australia: +61 3 9415 4000
Fax: +61 3 9473 2500

Auditor

BDO Kendalls Chartered Accountants

Level 19
2 Market Street
Sydney NSW 2000

Banker

National Australia Bank Limited
255 George Street
Sydney NSW 2000

BSA Limited

Registered Office

Unit 8, 79-99 St Hilliers Road
Auburn NSW 2144
Phone: 61 2 8748 2464
Fax: 61 2 8748 2577
Email: corporate@bsa.com.au
Website: www.bsa.com.au

Sydney

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Fax: 02 8748 2577

Brisbane

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Murarrie QLD 4172
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Fax: 07 3902 7550

Melbourne

3/87 Newlands Road
Reservoir Vic 3073
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Fax: 03 9460 1645

Level 8, 255 Bourke St
Melbourne Vic 3000
Phone: 03 8677 7400
Fax: 03 8677 7499

Perth

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Facsimile: 08 9247 8588

Triple M Sydney

Quad 4/Lev 1/ 8 Parkview Drv
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Homebush Bay NSW 2127
Phone: 02 9763 6200
Fax: 02 9763 6201

Triple M Brisbane

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