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21 August 2007

Australian Stock Exchange
Company Announcements Office

Results for Release to Market
Appendix 4E
Preliminary Final Report for year ended 30 June 2007

ITC Company CSG Limited (ASX: CSV) submits its preliminary final report to the market.

Supporting Commentary

CSG Ltd has exceeded all its prospectus forecasts with revenue and net profit up following a strong last quarter FY 07.

Highlights are:

June 2007

- Revenue exceeded forecast by 6% to $76 million
- EBITDA exceeded forecast by 5.3% to $18.75 million
- NPAT exceeded forecast by 5.2% to $10.97 million
- Normalised NPAT exceeded forecast by $450k to $12.5m

Outlook

- Successful acquisition and integration of Xerox Business Centres in Cairns & Toowoomba
- High level of contracted revenue
- Expansion planned in FY 08 focused on continued organic and acquisitive growth

Listed in April 2007, CSG Limited returned over prospectus performances in all areas in last quarter 2007 resulting in better than prospectus forecasted results.

The company recorded revenues of $76m, up 6% on the prospectus forecast of $71m. On a normalised basis, revenues were up by 8% to $102m compared to the normalised prospectus forecast of $94m.

Normalised key profit results were ahead of forecast with EBITDA being 5% above prospectus forecast and Net Profit after tax being ahead of forecast by $450k to $12.5m.

CSG's management team is continuing to focus on expansion in FY 08 with continued organic growth and further acquisitive growth. CSG recently acquired two new Xerox Business Centres located in the strong growth areas in Queensland boosting its dealer network and market share.

Other acquisition opportunities are in the process of being analysed with additional acquisition plans being pursued for the balance of the 08 FY.

CEO Denis Mackenzie indicated the Board was particularly delighted with the better than forecast result.

"It's particularly pleasing to see a large proportion of CSG's revenue for FY 08 locked in with fixed term contracts in all areas of CSG's business.

"The infrastructure / outsourcing business unit is well placed to win additional contracts in NT and WA in FY 08. In addition we expect significant Services revenue growth through our Xerox Business Centres with increasing market share in Qld and NT. Finally, our Application Services business is set to grow strongly with organic growth in WA and the establishment of new offices in other States.

"The performance of the Board and new management team has driven CSG through it's successful listing earlier this year and exceeding our prospectus forecasts demonstrates we have successfully transitioned from Australia's largest privately owned ITC services company to a rapidly expanding successful public company with a national reputation and specialist knowledge in the ITC field. A trend set to continue in FY 08," CEO Denis Mackenzie said today.

In line with the prospectus, no dividend has been declared or will be payable in 2007. The result represents basic earnings per share of $0.0645 and diluted earnings per share of $0.065. Normalised basic EPS is $0.0742 while normalised diluted earnings per share is $0.0736.

End.

About CSG Limited:

Listed on the ASX with a market capitalisation of $238 million as at 20 August 2007, CSG Limited, headquartered in Darwin, NT is an ITC success story having emerged as a national entity in the technology services field, specialising in three areas; infrastructure outsourcing, application development, document management and communications.

Operating across three States with nearly five hundred staff CSG is undergoing rapid expansion through acquisitive and organic growth since its public listing in 2007.

CSG has a wide and diverse list of blue chip, government and small to medium enterprises as clients. Recognised nationally for their service provision in difficult and remote jurisdictions such as the Territory, Western Australia and Queensland CSG is set to benefit from continued outsourcing by organizations and Government and will be extremely competitive and aggressive in the pursuit of additional government and private sector contracts in FY2008.

Appendix 4E Preliminary Final Report

Name of entity

CSG Ltd (ASX: CSV)

ABN or equivalent company reference:	64 123 989 631

1. Reporting period

Report for the financial year ended	30th June 2007
Previous corresponding period is the financial year ended	N/A

2. Results for announcement to the market

Revenues from ordinary activities *(item 2.1)*	Up/down	N/A	to	$76m
Profit (loss) from ordinary activities after tax attributable to members (*item 2.2*)	Up/down	N/A	to	$10.97m
Net profit (loss) for the period attributable to members *(item 2.3)*	Up/down	%	to	

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend	¢ nil	¢ nil
Final dividend	¢ nil	¢ nil
Record date for determining entitlements to the dividend *(item 2.5)*	N/A	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*:
Refer to announcement accompanying this 4E.

3. **Income Statement** *(item 3)*

Refer to the attached statement

4. **Balance Sheet** *(item 4)*

Refer to the attached statement

5. **Statement of Cash Flows** *(item 5)*

Refer to the attached statement

6. Dividends *(item 6)*

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2007	N/A	$ Nil
Final dividend – year ended 30 June 2007	N/A	$ Nil

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	¢ nil	¢ nil	¢ nil
Previous year	¢ nil	¢ nil	¢ nil

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities *(each class separately)*	N/A	N/A
Preference securities *(each class separately)*	N/A	N/A
Other equity instruments *(each class separately)*	N/A	N/A
Total		

7. Details of dividend or distribution reinvestment plans in operation are described below *(item 7)*:

N/A

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	N/A

8. Statement of retained earnings *(item 8)*

	Consolidated Entity		Parent Entity	
	2007	**2006**	**2007**	**2006**
	$'000	**$'000**	**$'000**	**$'000**
Balance at the beginning of year	2,815	2181	-	-
Net profit attributable to members of the parent entity	10,974	3,545	2,136	-
Total available for appropriation	13,789	5,726	2,136	-
Dividends paid	8,007	2,911	-	-
Balance at end of year	5,782	2,815	2,136	-

9. Net tangible assets per security *(item 9)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0	

10. Details of entities over which control has been gained or lost during the period: *(item 10)*

Control gained over entities

Name of entities *(item 10.1)*	Flemdale Pty Ltd, Xtream Pty Ltd, Power Accounting Pty Ltd, Sunshine Coast Office Equipment Pty Ltd
Date(s) of gain of control *(item 10.2)*	1st December 2006, 18th December 2006 and 1st April 2007
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired *(item 10.3)*	$ 3.327 million
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	N/A

11. Details of associates and joint venture entities *(item 11)*

Name of associate or joint venture entity *(item 11.1)*	**%Securities held** *(item 11.2)*
Nil	

Aggregate share of profits (losses) of associates and joint venture entities *(item 11.3)*

Group's share of associates' and joint venture entities':	2007 $	2006 $
Profit (loss) from ordinary activities before tax	(38,243)	—
Income tax on ordinary activities	(11,473)	—
Net profit (loss) from ordinary activities after tax	(26,770)	—
Adjustments		
Share of net profit (loss) of associates and joint venture entities	(26,770)	—

12. Significant information relating to the entity's financial performance and financial position.

Please refer to accompanying commentary.

13. The financial information provided in the Appendix 4E is based on the annual financial report (attached), which has been prepared in accordance with Australian accounting standards *(item 13)*.

14. Commentary on the results for the period.

Please refer to accompanying commentary.

15. Audit of the financial report *(item 15)*
Select one of the following:

☐ The financial report has been audited

☐ The financial report has not yet been audited.

X The financial report is in the process of being audited.

16. The audit has not yet been completed
Select one of the following:

X The financial report is not likely to be the subject of dispute or qualification.

☐ The financial report is likely to be the subject of dispute or qualification as described below.

Include a description of the likely dispute or qualification.

17. The audit has been completed.
Select one of the following:

☐ The financial report is not subject to audit dispute or qualification.

☐ The financial report is subject to audit dispute or qualification as described below.

Include a description of the dispute or qualification.

CSG LTD AND CONTROLLED ENTITIES CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
Revenue from continuing operations	2	76,167	32,713	3,624	
Cost of goods sold		(24,145)	(18,832)	-	-
Gross Profit		52,022	13,881	3,624	-
Other revenue	2	792	621	103	-
Marketing expenses		(63)	(42)	-	-
Occupancy expenses		(1,374)	(431)	(2)	-
Administration expenses		(605)	(180)	(422)	-
Finance costs		(960)	(492)	(169)	-
Other expenses		(34,935)	(8,337)	(58)	-
Share of net profit of associates		(27)	198	-	-
Profit before income tax		14,852	5,219	3,076	-
Income tax expense (income tax benefit)		(3,878)	(1,673)	(940)	-
Profit from continuing operations	3	10,974	3,545	2,136	-
Basic earnings per share	4	$0.0650			
Diluted earnings per share	4	$0.0645			

CSG LTD AND CONTROLLED ENTITIES CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

	Notes	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
CURRENT ASSETS					
Cash and cash equivalents	5	13,406	3,245	6,946	-
Receivables	6	11,291	4,591	3,624	-
Inventories	7	1,590	1,512	-	-
Other	8	366	131	145	-
TOTAL CURRENT ASSETS		26,653	9,479	10,715	-
NON CURRENT ASSETS					
Receivables	6	5	-	-	
Other financial assets	9	3	-	-	-
Investments in controlled entities		-	-	14,079	-
Deferred Tax Assets		841	92	323	-
Property, plant and equipment	10	11,243	8,814	-	-
Intangible assets	11	50,088	-	29,390	-
Other non-current assets		-	-	-	-
		-	-	-	-
TOTAL NON CURRENT ASSETS		62,180	8,906	43,792	-
TOTAL ASSETS		88,833	18,385	54,507	-
CURRENT LIABILITIES					
Payables	12	17,829	5,058	73	-
Interest Bearing Liabilities	13	4,678	2,809	-	-
Other financial liabilities		-	-	-	
Current tax payable		2,302	346	1,263	-
Provisions	14	1,407	459	16	-
Other current liabilities		-	-	-	
		-	-	-	-
TOTAL CURRENT LIABILITIES		26,217	8,672	1,352	-
NON CURRENT LIABILITIES					
Payables	12	1,000	-	-	-
Payable to Related Parties		-	-	5,568	
Long term borrowings	13	16,332	5,865	6,400	-
Provisions	14	451	127	-	-
TOTAL NON CURRENT LIABILITIES		17,783	5,992	11,968	-
TOTAL LIABILITIES		44,000	14,664	13,320	-
NET ASSETS		44,833	3,721	41,186	-
EQUITY					
Contributed equity		39,051	906	39,051	-
Reserves		-	-	-	-
Retained earnings		5,782	2,815	2,136	-
TOTAL EQUITY		44,833	3,721	41,187	-

CSG LTD AND CONTROLLED ENTITIES CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

		Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
	Note	$'000	$'000	$'000	$'000
STATEMENT OF CASH FLOWS					
Receipts from customers		73,525	34,525		-
Payments to suppliers, employees and others		(56,773)	(26,213)	(382)	-
Interest income		387	164	103	-
Dividends received		-	-		-
Borrowing costs paid		-	(436)	(169)	-
Income tax paid		(2,294)	(1,367)		-
Net cash flows from operating activities	15(a)	**14,845**	**6,673**	**(448)**	-
Payments for investments		(1,105)	-	-	-
Proceeds from disposal of investments		-	25	-	-
Dividends received		-	-	-	-
Payments for property, plant & equipment		(7,157)	(8,976)	-	-
Proceeds from property, plant & equipment		3,759	1,951	-	-
Loans advanced		-	-	-	-
Payments for businesses		(20,450)	-	(14,079)	-
Net cash flows from investing activities		**(24,953)**	**(7,000)**	**(14,079)**	-
Proceeds from issue of equity securities		60,532	-	60,532	-
Payment for share issue costs		(4,518)	-	(4,518)	-
Payment to Vendor shareholders		(43,861)	-	(43,861)	-
Proceeds from borrowings		16,707	6,460	9,320	-
Loans Repaid		(808)	(2,657)	-	-
Dividends and reserve distributions		(8,006)	(2,911)	-	-
Net cash flows from financing activities		**20,046**	**892**	**21,473**	-
Net increase/decrease in cash held		**9,938**	**565**	**6,946**	-
Cash/(overdraft) at the beginning of the financial year		**2,751**	**2,186**	-	-
Cash/(overdraft) at the end of the financial year	15(b)	**12,689**	**2,751**	**6,946**	-

Note 1. Statement of Significant Accounting Policies

Basis of preparation

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

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

The report has been prepared for CSG Limited and its controlled entities. CSG Limited is a company limited by shares incorporated and domiciled in Australia.

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

Compliance with IFRS

Australian Accounting Standards include Australian Equivalents to International Financing Reporting Standards (AIFRSs). Compliance with AIFRS ensures compliance with International Financial Reporting Standards. (IFRSs).

Historical Cost Convention

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

(a) Principles of consolidation

The report represents a consolidation of all controlled entities as at 30 June 2007 as a result of common ownership prior to the incorporation of CSG Limited.

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

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

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

For business combinations involving entities under common control, which are outside the scope of AASB 3: Business Combinations, the company applies the purchase method of accounting by the legal entity.

(b) Revenue recognition

Sale of Goods

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

Rendering of Services

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

(i) invoicing from the provision of the group's services inclusive of the amounts due and payable under the terms of the long term service contracts;

(ii) revenue not yet invoiced but earned on work completed in servicing long term service contracts which, while owing to the group under the terms of those contracts, will not become payable until future years.

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

Equipment sales under financing arrangement

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

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

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint ventures are accounted for in accordance with the equity method.

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

(c) Cash and cash equivalents

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

(d) Receivables

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

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

(e) **Inventories**

Inventories and work in progress are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(f) **Property, plant and equipment**

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

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

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

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

Land is not depreciated. Depreciation of property, plant and equipment is calculated on a straight line and diminishing value basis to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives to the company.

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

Asset	**Rate**	**Method**
Leasehold and property improvements	2.5% - 4%	Diminishing value and straight line
Plane and hanger	2.5% - 37.7%	Diminishing value and straight line
Plant and Equipment	11.25%- 37.5%	Diminishing value and straight line
Motor Vehicles	8.75% - 22.2%	Diminishing value
Computer Equipment	37.5% - 50%	Diminishing value and straight line
Office Furniture and Equipment	7.5% - 37.5%	Diminishing value and straight line

(g) **Non current assets held for sale**

Non current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset, but not in excess of any cumulative loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset is recognised at the date of derecognition.

Non current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(h) Intangible assets

Goodwill

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

Licences

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

(i) Trade and other payables

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

(j) Borrowings

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

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

Borrowing costs are recognised as expenses in the period in which they are incurred.

(k) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(l) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount of the provision can be measured reliably. Provisions are not recognised for future operating losses.

(m) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Leases

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

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

Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease Income

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

(n) 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, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new share or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(o) Income tax

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

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

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

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

(p) Goods and Services Tax

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

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

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

(q) Financial instruments

Classification

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

Financial assets at fair value through profit or loss

Investments in listed securities are carried at fair value through profit and loss. They are measured at their fair value at each reporting date and any increment or decrement in fair value from the prior period is recognised in the profit and loss of the current period. Fair value of listed investments are based on current bid prices.

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

Held-to-Maturity Investments

Fixed term investments intended to be held to maturity are classified as held-to-maturity investments. They are measured at amortised cost using the effective interest rate method.

Loans and Receivables

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

Financial Liabilities

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

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

(r) **Comparatives**

The company was incorporated on 16 February 2007 and was listed on the Australian Stock Exchange on 19 April 2007. Refer to Note 1(a) for the entities reported within the group of CSG Limited and its controlled entities.

(s) Rounding Amounts

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

NOTE 2: REVENUE

	Notes	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
Revenues from continuing operations					
Sales Revenue					
Revenue from sale of goods		42,671	5,776	-	-
Revenue from services		33,194	26,937	-	-
Other		302	-	3,624	-
		76,167	32,713	3,624	
Other Revenue					
Interest		291	164	103	-
Sundry		137	457	-	-
Rental		22	-	-	-
Profit on Sale of Fixed Assets		342	-	-	-
		792	621	103	-

NOTE 3 : PROFIT FROM CONTINUING OPERATIONS

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

Profit from continuing operations before income tax has been determined after the following specific expenses:

Cost of goods sold				
3rd Party Products	24,145	18,832	-	-
Cost of goods sold	24,145	18,832	-	-
Employee benefits expense				
Share-based payments	71	-	71	-
Other employee benefits	21,353	2,467	-	-
Employee benefits expense	21,424	2,467	71	-
Depreciation/Amortisation of non-current assets				
Property Plant and equipment	2,981	1,998	-	-
Total depreciation/amortisation of non-current assets	2,981	1,998	-	-
Finance costs expensed				
Interest and Charges	960	492	169	-
Total finance costs expensed	960	492	169	-

NOTE 4: EARNINGS PER SHARE

	Notes	2007 $'000
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit		10,974
Adjustments:		-
Earnings used in calculating basic and diluted earnings per share		10,974
		2007 No of shares
Weighted average number of ordinary shares used in calculating basic earnings per share		168,851
Effect of dilutive securities:		
Share options		1,200
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		170,051

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Cash at Bank	6,643	200	187	-
Cash on Hand	4	4	-	-
Short Term Deposits	6,759	3,041	6,759	-
	13,406	3,245	6,946	-

NOTE 6: RECEIVABLES

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
CURRENT				
Trade receivables	8,799	4,584	-	-
Sundry Debtors	2,539	29	3,624	-
Provision for doubtful debts	(47)	(22)	-	-
	11,291	4,591	3,624	-
NON CURRENT				
Other receivables	5		-	-
	11,296	4,591	3,624	-

NOTE 7: INVENTORIES

	Notes	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Finished goods					
- at cost		1,590	1,512	-	-
Total inventories		1,590	1,512	-	-

NOTE 8: OTHER CURRENT ASSETS

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Prepayments	366	131	145	-
	366	131	145	-

NOTE 9: OTHER FINANCIAL ASSETS

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
NON-CURRENT				
Investments at cost comprise:				
Listed Shares	3	-	-	-
	3	-	-	-

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Plant & equipment				
At cost	17,122	6,769	-	-
Accumulated depreciation	(6,042)	(1,319)	-	-
	11,080	5,451	-	-
Leased plant and equipment				
Capitalised leased assets	238	4,476	-	-
Accumulated amortisation	(75)	(1,113)	-	-
	163	3,363	-	-
Total plant and equipment	11,243	8,814	-	-
Total property, plant and equipment				
Cost	17,360	11,246	-	-
Accumulated depreciation and amortisation	(6,117)	(2,432)	-	-
Total written down amount	11,243	8,814	-	-

NOTE 11: INTANGIBLES

	Notes	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
At 30 June 2007					
Goodwill on Consolidation	16	48,978	-		-
Goodwill at cost		213		29,390	
Accumulated impairment loss		-	-	-	-
Net carrying amount		49,191	-	29,390	-
Year ended 30 June 2007					
Opening net book amount		-	-	-	-
Additions		49,191	-	29,390	-
Impairment charge		-	-	-	-
Closing net book value		49,191	-	29,390	-
At 30 June 2007					
Trademarks,licences and borrowing		902	-	-	-
Borrowing Costs Amortised		(5)	-	-	-
Net carrying amount		897	-	-	-
Year ended 30 June 2007					
Opening net book amount		-	-	-	-
Additions		902	-	-	-
Amortisation charge		(5)	-	-	-
Impairment charge		-	-	-	-
Closing net book value		897	-	-	-
Total		50,088	-	29,390	-

NOTE 12: PAYABLES

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
CURRENT				
Trade payables	6,080	2,271	73	-
Other payables	5,654	2,787	-	-
Deferred Consideration	6,095	-	-	-
	17,829	5,058	73	-
NON-CURRENT				
Deferred Consideration	1,000	-	-	-
	1,000	-	-	-

NOTE 13: BORROWINGS

	Notes	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
CURRENT					
Secured					
Lease and Hire Purchase liability		3,452	1,433	-	-
Borrowings		509	882	-	-
– bank overdraft		717	494	-	-
		4,678	2,809	-	-
NON-CURRENT					
Secured					
Lease and Hire Purchase liability		6,839	5,714	-	-
Borrowings		9,493	151	6,400	-
		16,332	5,865	6,400	-

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

(i) Bank loans and commercial bills are secured by mortgage over the assets of the companies and trust and

(ii) Lease and Hire Purchase liabilities are secured by assets lease or under hire purchase

NOTE 14: PROVISIONS

	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
CURRENT				
Employee benefits	1,407	459	16	-
	1,407	459	16	-
NON-CURRENT				
Employee benefits	451	127	-	-
Aggregate employee benefits liability	1,858	586	16	-

NOTE 15: CASHFLOW INFORMATION

	Notes	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
a) Reconciliation of Net Profit after tax to cash flows from operations:					
Profit from ordinary activities after tax		10,974	3,545	2,136	-
(Profit)/Loss on sale of assets		(342)	(273)	-	-
Profit from associates			(124)	-	-
Amortisation and Depreciation		2,981	2,077	-	-
Share based payments		72	-	72	-
(Increase)/Decrease in assets:		-	-	-	-
Current Receivables		(2,360)	(598)	-	-
Current prepayments		-	(33)	(146)	-
Current Inventories		1,164	314	-	-
Deferred Tax Assets		(538)	(7)	(323)	-
Other		-	60	-	-
Related Party Receivables		-	-	(3,624)	-
Increase/(decrease) in liabilities:		-	-	-	-
Current Payables		777	(187)	158	-
Current Provisions		533	253	16	-
Tax Provision		1,584	238	1,263	-
Other Financial Liabilities		-	-	-	-
Other		-	1,408	-	-
Non-current Payables		-	-	-	-
Non-current Provisions		-	-	-	-
Net cash from operating activities		14,845	6,673	(448)	-

b) Reconciliation of cash

Cash balance comprises:				
Cash at bank	13,406	3,245	6,946	-
Bank overdraft	(717)	(494)	-	-
Closing cash balance	12,689	2,751	6,946	-

NOTE 16: BUSINESS COMBINATIONS

	Flemdale Pty Ltd and Xtream Pty Ltd	Connected Solutions Group Pty Ltd	CSG Unit Trust	CSG Services Pty Ltd	Sunshine Coast Office Equipment Pty Ltd	Power Accounting Pty Ltd	Total
Consideration							
Shares issued as consideration	23,391,053	905,827	120	306	-	-	24,297,306
Cash paid under share sale agreement	16,844,859	-	-	-	2,600,000	2,105,448	21,550,307
Equity accounted share of loss	(166,058)	-	-	-	-	-	(166,058)
Share of retained profit relating to OEI	-	-	-	-	(93,286)	-	(93,286)
Deferred Consideration	-	-	-	-	-	7,095,000	7,095,000
Total acquisition cost	40,069,854	905,827	120	306	2,506,714	9,200,448	52,683,269
Net assets acquired							
Assets							
Cash and cash equivalents	1,969,797	918,853	1,737,737	162,784	110,560	593,463	5,493,194
Receivables	3,376,539	1,328,280	2,752,219	3,491,703	280,035	1,402,938	12,631,715
Inventory	973,335	785,321	1,690,282	814,717	268,370	-	4,532,025
Property, plant and equipment	546,160	733,140	1,434,765	4,731,102	560,972	563,186	8,569,325
Other financial assets	-	-	9,186,470	-	2,275	-	9,188,745
Other assets	155,015	88,851	119,967	596,922	26,848	87,003	1,074,606
Total assets acquired	7,020,847	3,854,445	16,921,440	9,797,228	1,249,060	2,646,590	41,489,610
Liabilities							
Trade and other payables	5,327,007	1,349,483	11,865,522	2,163,024	239,448	815,756	21,760,240
Borrowings	166,188	511,278	3,636,991	5,682,205	355,631	50,614	10,402,907
Provisions	430,603	159,765	547,549	147,157	134,243	546,095	1,965,412
Other liabilities	51,844	45,026	871,258	1,327,591	-	-	2,295,719
Total liabilities acquired	5,975,643	2,065,552	16,921,320	9,319,977	729,322	1,412,465	36,424,278
Net assets acquired	**1,045,204**	**1,788,893**	**120**	**477,251**	**519,738**	**1,234,126**	**5,065,332**
Retained earnings transferred to parent	**-**	**883,066**	**-**	**476,945**	**-**	**-**	**1,360,011**
Goodwill on acquisition	**39,024,650**	**-**		**-**	**1,986,976**	**7,966,322**	**48,977,948**