



PSMA

AUSTRALIA
LIMITED





PSMA AUSTRALIA LIMITED

ABN 23 089 912 710

CORPORATE DIRECTORY

Chairman

Olaf Hedberg AM

Chief Executive Officer

Daniel Paull

Registered Office

Level 2/113 Canberra Ave, Griffith ACT 2603

Principal Place of Business

Level 2/113 Canberra Ave, Griffith ACT 2603

Share Register

Level 2/113 Canberra Ave, Griffith ACT 2603

Auditors

Maxim Chartered Accountants

Level 2/59 Wentworth Avenue, Kingston ACT 2604

Solicitors

Norton Rose

Level 5/1 Hobart Place, Canberra ACT 2601

Bankers

National Australia Bank Limited

39 Wollongong Street, Fyshwick ACT 2609

Directors

Olaf Hedberg AM (Chairman)

Mike Bradford

William Hirst

Martin Holmes

Steve Jacoby

Kate Kent

Desmond Mooney

Mary O'Kane

John O'Malley

Victor Stephens

Bruce Thompson

Stephen Godfrey

Kym Nicolson

Benjamin Searle

Peter Tooley

Company Secretary

Daniel Paull

Executive Committee

Olaf Hedberg AM (Chairman)

Martin Holmes

Desmond Mooney

Daniel Paull

Benjamin Searle

Board Audit Committee

Michael Bradford (Chairman)

Stephen Godfrey

Kym Nicolson

John O'Malley

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CHAIRMAN'S FOREWORD

FINANCIAL ACHIEVEMENTS

PSMA Australia finished the 2008/09 financial year with its first loss in the company's history as a result of a sudden, albeit delayed, impact of the global financial crisis. This left the Board extremely wary as the 2009/2010 financial year began. It was a year where significant investment had been planned, but since it was based on a revenue growth that now seemed unlikely, there were difficult decisions to make about the approach to take. It was ultimately agreed that the downturn was an ideal time to invest in the infrastructure that we all believe will secure our future – LYNX.

It is with a great deal of satisfaction that I can now recount that not only was an investment of more than \$2 million made into LYNX, but the Company has also achieved a surplus of over \$1 million that the Board has agreed should be invested in another round of LYNX development in 2010/11. While the revenue growth of previous years has not returned, PSMA Distribution did achieve a significant improvement on the 08/09 year with a 6.5% growth in royalties (compared to 2% in the previous year). I

believe that this provides a strong sign of the value our focused subsidiary contributes and this in only its second year of operation.

OUR FOCUS

Assisting the nation to manage information spatially remains the constant goal for PSMA Australia. What is interesting however is how the changing marketplace impacts on how we seek to achieve this outcome. It is wonderful to see significantly broader use of location information in countless applications. With the market growth and maturity comes greater expectations about data quality and increasing downward pressure on prices. These changes are neither bad nor unexpected, and during the year we have taken some significant steps to adapt to this changing environment:

- (1) significant gains in efficiency in data management automation will lead to better quality data, an ability to update more frequently, and increased capacity that can be turned to new datasets;

- (2) LYNX Services have developed to the point where jurisdictions and partners can begin to closely examine them and consider how they might contribute to business process improvements, create new opportunities and stimulate innovation;
- (3) A comprehensive review of our pricing and licensing is being conducted so that, where possible, the requirements of industry partners, new technology and business models, and our suppliers can be harmonised to reduce the administrative burden; and
- (4) Relationships are being developed internationally to promote Australian spatial information industry expertise, gain a deeper understanding of related initiatives and activities in other countries and lift the profile of the PSMA model for the benefit of other countries.

UNIQUE AND VALUABLE ASSET

The challenges overcome and the achievements won are only possible through the collective efforts of many dedicated people. Ultimately, it is this asset that has enabled us to succeed.

I thank all the Board members for their continued support and dedication to PSMA Australia. Our Board, without doubt, contains the country's finest intellectual capital in the spatial arena and it is a pleasure to be the Chair. I would also like to welcome Kate Kent, nominee from the Tasmanian Shareholder; Steve Jacoby, nominee from the Queensland Shareholder and John O'Malley, nominee from the South Australian Shareholder who joined the Board in October 2009.

I also thank the CEO and his team. I know that it has been a trying year with numerous tests of the team's dedication, resilience and ingenuity. You are all stronger and wiser now as a result. I would like to make special mention of the industry accolade, 'Spatial Professional of the Year', bestowed upon the CEO. He was cited for 'outstanding performance and service to the spatial profession' and 'for making a lasting difference to the profession by his leadership and contribution to continuing professional development'.

It has been another memorable year for the organisation, one that sees it on the brink of a new world where the value and power of location information is dawning. I see a bright future ahead for PSMA Australia.

I commend the 2009/2010 Annual Report to you.



Olaf Hedberg AM

Chairman of the Board
PSMA Australia Limited



DIRECTORS' REPORT



REVIEW OF OPERATIONS

THE BUSINESS OF PSMA AUSTRALIA

The governments of Australia established PSMA Australia Limited to enable and facilitate solutions predicated on the management of information spatially (or by location) and the inherent value that this philosophy yields.

These solutions should have the capacity to deliver significant value in the form of economic, social and environmental benefits to Australia, provided they are underpinned by trusted location information, products and location services.

The Mission

The return of sustainable social, environmental and economic benefits through the provision of authoritative location information, knowledge and services.

The Company is focussed on the maximisation of this value to the nation on behalf of all the governments of Australia. *A national focus in the national good.*

Achieving the Company's long term objectives will mean reaching a state where the contribution made through information management, the provision location data to the knowledge economy, and to environmental sustainability in society generally, will be significant and substantial.

The use of PSMA Australia resources will ideally be commonplace in the management of spatial information and in the development of the solutions that achieve the outcome.

The Vision

To be recognised as instrumental in the provision of the authoritative foundations for the nation that enable and shape location based solutions across all aspects of life.

PSMA Australia identifies, sources, aggregates and integrates spatially-related information in the national interest and facilitates access and full utilisation of that information to ensure that the substantial value inherently held within spatially-related information can be readily accessed so as to deliver sustainable economic, social and environmental benefits to

Australia. This is achieved by forming and managing the relationships and processes of the crucial supply chain between the creators and custodians of spatially-related nationally-significant information and the consumers of this information.

Spatial datasets will always be the core business of PSMA Australia. However, in order to maintain its position within the Australian Spatial Industry, PSMA Australia continues to look at new initiatives to diversify its product range and target new markets.

CORPORATE GOVERNANCE

PSMA AUSTRALIA'S CORPORATE GOVERNANCE MODEL

PSMA Australia has a well developed governance model that ensures the Company is managed in a professional and efficient manner, and operates with full accountability at all levels.

ANNUAL GENERAL MEETING (AGM)

At the Annual General Meeting the shareholders undertake:

- (1) Review of the annual financial report, directors' report and auditor's report,
- (2) The election of directors,
- (3) The appointment of the auditor, and
- (4) Fixing of the auditor's remuneration.

The business of the AGM also includes any other business which, under the Constitution or the Law, ought to be transacted at an Annual General Meeting.

The Shareholders at the AGM are given an opportunity to ask questions about, or make comments on, the management of the Company. If the Company's auditor, or the auditor's representative, is at the meeting, the Shareholders are given an opportunity to ask questions relevant

to the conduct of the audit and the preparation and content of the auditor's report.

THE BOARD

THE ROLE OF THE BOARD

The Board is ultimately responsible for all matters relating to the running of PSMA Australia Limited, and is responsible for, and has the authority to determine, the policies, practices, management and operation of PSMA Australia Limited. It is bound to do all such things as may be necessary to be done from time to time in order to carry out the objectives of the Company.

The Board delegates to the CEO specific powers and responsibilities to carry out its activities.

BOARD STRUCTURE

In line with good governance principles, the Board of PSMA Australia believes it is essential for its structure to reflect the need for independence, transparency and flexibility.

The Board has, during the year, had nine Directors representing each of the jurisdictions, and three independent Directors (including the Chair). An independent Director is one who is not a nominee of a major shareholder and is not involved in the value chain of the organisation, either upstream or downstream.

ACTIVITIES OF THE BOARD

During the year, the board met four times as stated in the financial report. During these meetings the Board reviewed progress against the Annual Program, considered the financial position of the Company and its subsidiary, and acted in order to ascertain that there were efficient systems in place to follow up and control the business and financial positions. The Audit Committee was responsible for preparing reports for the board to ensure the quality of the financial reporting and the Annual Report.

The Board's responsibilities are primarily undertaken at quarterly meetings and through the activities of its respective committees. It regularly evaluated the performance of the CEO, and the chair of the board is in regular contact with the CEO to discuss ongoing business and to provide guidance and advice relating to implementation of strategy and decisions taken by the Board.

THE COMPANY SECRETARY

The role of Company Secretary includes:

- Ensuring that the agenda and board papers are forwarded to Directors before the board meeting
- Writing and maintaining the minutes of board meetings
- Ensuring all requirements of the ASIC are fully met
- Ensuring compliance with the requirements of the ATO
- Notifying the Directors of a meeting of the board
- Forming committees as required to assist in the proper conduct and operation of the company.

CEO Daniel Paull has been the Company Secretary for PSMA Australia Limited since its incorporation in June 2001, and for PSMA Distribution Pty Limited since its establishment in July 2008.

THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer (CEO) is appointed by the Board and is responsible for ongoing management of the company in accordance with the strategic policies and programs approved by the board to achieve the agreed goals.

Daniel Paull has been the CEO of PSMA Australia since June 2001.

THE CHIEF OPERATING OFFICER

The Chief Operating Officer (COO) is responsible for implementation of the Annual Program and the operation of the business. The COO reports to the CEO and to the board on operational performance at each board meeting.

Nick Littlewood has held this position since October 2007.

RISK MANAGEMENT

PSMA risks are classified into two categories:

- (1) External Risks – Risks external to the Company, but have the ability to impact the business. These could include a change in Government, the Global Financial Crisis, and a Disaster.
- (2) Operational Risks – Risks internal to the Company but have the ability to impact the core activities of the business. These could include increased staff turnover or increased budget expenditure.

EXTERNAL RELATED RISK

External related risks are the risks that are the hardest to manage as they are influenced by external factors that are beyond the control of the PSMA Australia and the Board. For each of these risks a mitigation strategy is developed and implemented to minimise its impact on the business. These risks are monitored by the board at each meeting and the risk register and mitigation strategies are updated quarterly.

CONTINUOUS IMPROVEMENT

To be a successful business, continuous improvement through strategy and business reviews, and risk management, are required. PSMA Australia recognises that continual improvement is a core business attribute and undertakes significant effort to ensure that the concept is embedded in both strategic and operational activities.

OPERATIONAL RISK

PROJECT RISK

PSMA Australia undertakes a vast array of technical and business projects to continually improve its outputs. Associated with each project is a certain

amount of operational risk – either through development, implementation or ongoing project maintenance. PSMA Australia recognises that not all risk is negative and that it is acceptable if managed properly.

To effectively manage project risk, the company has embedded risk management techniques within its project methodology and subsequent operational activities that manage risk, assist in risk mitigation, and track project risk. As a result, risk management is a daily operational activity that is efficiently and effectively managed by project staff.

RISK RELATED TO HUMAN RESOURCES

PSMA Australia's employees are essential to the longevity and prosperity of the company. The quality, experience and education of its employees are core business competencies. If transition occurs within this area, a business risk arises.

The company strives for a work environment where energy, passion, creativity and respect for individuals form the foundation necessary to deliver innovative solutions, long term stability and robustness, and a capacity to overcome challenges.

The recruitment process for employees ensures that the quality of employees meets the requirements of PSMA Australia and that development pathways are provided for all staff to encourage knowledge gathering and the ability for staff to excel in their chosen field.

STRATEGY DEVELOPMENT

PSMA Australia, through the activities of the Board, delivers a strategic plan with a three year horizon. This plan is regularly reviewed and fully revised when deemed necessary. The Annual Program is based on the strategic plan and details the deliverables and outcomes that the company intends to achieve in the financial year. Together, these documents guide the development of detailed operational

plans that management can then use to deliver the expectations of the Board and Shareholders.

The following activities have been identified as areas of strategic significance for the company:

- Delivery of the a fully operational LYNX environment including LYNX Services and business process automation
- Identification and development of additional datasets aimed at supporting emerging requirements in a changing and maturing market
- Furthering collaborative partnerships with international organisations that share common challenges and outcomes
- Engaging with key influencers to extend the awareness and value of managing information spatially and supporting business partners to deliver solutions with increased functionality.

These activities detail a greater focus on infrastructure and its important role in assisting in the task of managing information spatially. More than ever before, PSMA Australia is developing capabilities that enable it to not only develop and maintain data products more efficiently, but also assist with delivering and extracting value from these products through the use and availability of enabling services.



THE PSMA TEAM

PSMA Australia deals primarily in activities involving the intangible: intellectual property management and licensing, relationship management and contract and project management. As a consequence, we rely heavily on the quality of the people who undertake these tasks. We have always taken care to recruit quality people who can contribute and grow with the company. Despite some changes, the team is as strong now as ever. Our turnover has fallen and as a consequence, our ability to apply the collective corporate knowledge has increased enabling us to be more effective.

CURRENT STAFF AND CHANGES DURING THE YEAR

NEW STAFF APPOINTMENTS

Claire Truesdale - Receptionist
Stephen Godfrey - Special Projects Officer

RESIGNATIONS

Ally Cates - Receptionist
Angie Wilson - Radius Studio Project Manager

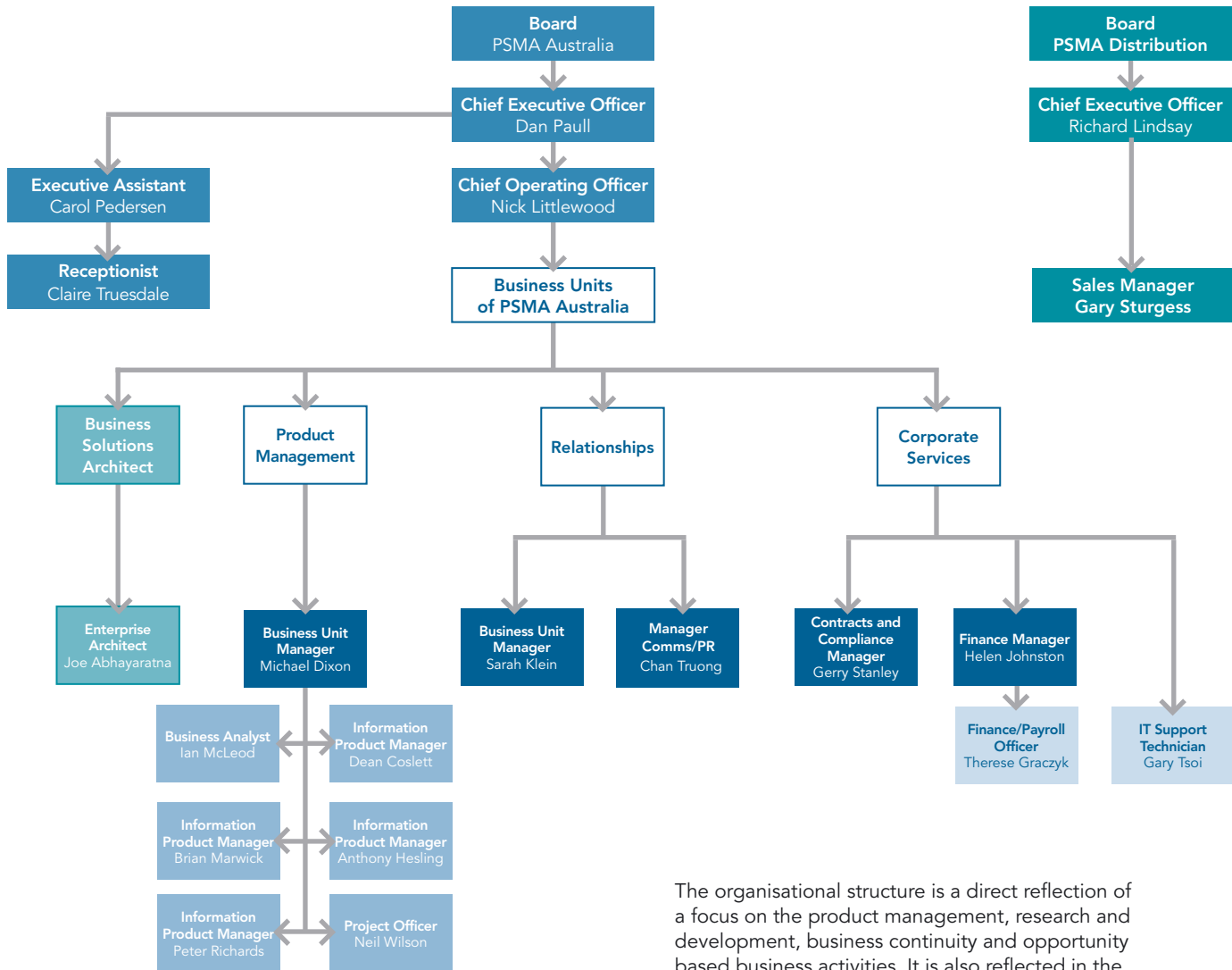
Caroline Mclvor - Business Manager, Strategy
Ellen Pedersen - Administration Officer
John Saldin - Business Manager, Technical Infrastructure
Peter Richards - Information Product Manager (retirement)

NATIONAL OFFICE RELOCATION

During the year, an opportunity arose to consider moving the national office to new premises. A brand new building was nearing completion on the site immediately adjacent to 115 Canberra Avenue. The decision to move brought with it an increased rental obligation, but in return the Company now has use of excellent facilities, sufficient space to enable the hosting of Board meetings, workshops and other functions, and room to grow. The move also provided the opportunity to offer space to ANZLIC and 1Spatial. These organisations' national offices are now co-located with PSMA Australia and PSMA Distribution on Level 2, 113 Canberra Avenue.

2009/10 ORGANISATIONAL STRUCTURE

FIGURE 2: ORGANISATIONAL STRUCTURE OF THE PSMA GROUP



The organisational structure is a direct reflection of a focus on the product management, research and development, business continuity and opportunity based business activities. It is also reflected in the financial and operational procedures (including a project based planning methodology) for reporting.



EXECUTIVE BUSINESS UNIT

ORGANISATIONAL REVIEW

PSMA Australia undertook an organisational review during the year. The purpose of this review was to identify areas where operational efficiencies and processes could be changed to improve overall strategic and operational outputs. The outcome of this review has been the development of a streamlined organisational structure that will further assist in meeting the coming year's organisational objectives.

COOPERATIVE RESEARCH CENTRE FOR SPATIAL INFORMATION (CRC-SI)

The Company has been actively involved in the successful CRC-SI bid for additional funding. CEO Daniel Paull took a leading role in the bid as a lead supporter of the research theme focused on Spatial Information Infrastructures, and he has been working

closely with key stakeholders. PSMA Australia has a keen interest in the Spatial Data Infrastructure theme given the redevelopment and enhancement of the LYNX infrastructure and our interest in ANZLIC's spatial marketplace concept.

NATIONAL CORS COORDINATION

PSMA Australia has been actively promoting the concept of national coordination of Global Navigation Satellite System (GNSS), and Continuously Operating Reference Station (CORS) networks. This concept has been promoted at a number of key events including FIG Congress and the IGNS Conference, and is generating much discussion within ANZLIC. PSMA Australia can see a role in the coordination process including the delivery of a single agreement and a single point of access for data feeds from multiple networks. The approach has a close alignment with current operations, and has the potential to create significant

efficiencies through reduction in duplication and focused investment. Activity in relation to this initiative will continue into the new year.

INTERNATIONAL COLLABORATION

PSMA Australia was very active internationally in 2009/10. A Memorandum of Understanding (MOU) was signed with EuroGeographics in October 2009. The agreement followed a series of discussions between the organisations that uncovered a number of similarities and shared challenges. The MOU is aimed at identifying opportunities to share information and collaborate on challenges that both organisations face. The relationship provides greater visibility of activities in Europe and especially in relation to the European Union's INSPIRE initiative that has some significance to Australia Spatial Data Infrastructure and Spatial Marketplace initiatives.



CORPORATE SERVICES BUSINESS UNIT

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INTELLECTUAL PROPERTY MANAGEMENT

During the year, considerable effort was applied to establishing arrangements that better manage PSMA Australia's Intellectual Property (IP). A new system for recording IP was implemented, new policies and procedures were developed, and a comprehensive communication and education program was undertaken internally to heighten awareness of the importance of IP and how it is to be managed.

NEW FINANCE SYSTEM

PSMA Australia implemented a new feature to the finance system during this reporting period. The new feature, Money Manager, enabled the company to utilise the existing MYOB system, but to enhance a number of critical features. This upgrade now meets the current requirements within PSMA Australia, however, investigation is still ongoing on the acquisition of a new finance system in the 2010/11 financial year that will provide enhanced

management and reporting features and enable more easily achieved compliance with Australian Accounting Standards.

MANAGEMENT SYSTEM FOR QUALITY (MSQ)

The implementation of the new SharePoint content management system has supported quality management within the company through the use of its record management features. The PSMA Australia Quality Manual was also redeveloped to ensure it was more user-friendly and could be easily adopted by all staff. The program of internal audits has continued, as has the development of an ongoing schedule to review all parts of the business.

CONTRACT MANAGEMENT AND AUDITS

A new Contract Management Unit was developed within PSMA Australia during 2009/10. This included the assigning of a Business Development Manager and recruitment of in-house counsel for the PSMA Group. The development of the Contract Management Unit has proven to be very beneficial to the Company through the delivery of process efficiencies in contract management and an increased understanding of legal obligations.

INFORMATION AND COMMUNICATION TECHNOLOGY MANAGEMENT

In July 2009, PSMA Australia undertook a review of its current Information and Communication Technology (ICT) Strategy. This review evaluated the current ICT infrastructure, ICT business requirements, LYNX infrastructure, and considered the new business direction and the ICT requirements of the future. At the conclusion of the year, the ICT Strategy had been accepted by PSMA Australia senior management and was in the process of being implemented.

DIRECTOR AND EMPLOYEE PROFESSIONAL DEVELOPMENT ACTIVITIES

PSMA Australia instigated training in risk management, IP management and provided Excel training for nominated staff this past year. These professional development courses have created awareness and have reinforced the importance of both risk and IP Management.

Additional technical training was also provided to selected staff in the areas of:

- Microsoft SharePoint
- ActiVOS Software Training
- Radius Studio.

PSMA Australia also supported conference attendance for both directors and staff this past year, with participation at:

Domestic:

- spatial@gov
- IGNSS Conference
- CeBIT
- SSSI

International:

- FIG Congress - Sydney
- INSPIRE Conference - Krakow, Poland



PRODUCT MANAGEMENT BUSINESS UNIT

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EXISTING PRODUCTS – MAINTENANCE AND ENHANCEMENTS

ANNUAL AND QUARTERLY DATASET MAINTENANCE PROGRAM

The quarterly release cycle was completed on schedule with updates to key themes occurring as prescribed in the Annual Program. PSMA Australia, in accordance with each data release, updated product descriptions to align with standards and provided metadata and release reports to provide clarification and transparency as to the data process and improvements.

G-NAF DATASET ENHANCEMENTS

Much improvement has occurred to the G-NAF Dataset. PSMA Australia can report that geocoding levels have continued to improve throughout the year with nearly 93% of all addresses geocoded at the property level.

Work has continued with Jurisdictions to identify, and where applicable correct, issues within their own addressing databases. This has resulted in stronger relationships with the Data Contributors. Queries have also been made with Jurisdictions regarding the direct supply of property datasets rather than developing a new methodology to create the dataset from CadLite.

The following improvements to G-NAF have also occurred this reporting period:

- New methodology was developed to more appropriately identify alias addresses
- Improvements were made to the matching of primary and secondary addresses
- Steps are being taken to more closely align with national standards
- Building name information has been cleaned
- A review has begun into maintenance practices for feature level metadata fields
- A review has begun into G-NAF rejected addresses

- A proposal has been developed for the integration of additional features of interest within addresses.

G-NAF MAINTENANCE PROCESS RE-ENGINEERING

PSMA Australia undertook investigations into the development of an enhanced G-NAF processor. Activities included the development of developing business requirements, identification of a procurement path, and the development of functional requirements. The company is currently considering the development of the technical specifications, which are presently on hold to allow for wider stakeholder consultation and to assess the impact of the NAMF Compliance Services project.

TRANSPORT THEME ENHANCEMENTS

Most work for this theme has centred on the development of a new data model to support the increasing use of this information in different market sectors such as personal navigation and logistics. The new data model will support a wider range of attribution as well as additional geometry to accommodate different features.

Considerable work on a new processing environment that streamlines data processing, enforces topological consistency, and automates edge matching around Jurisdiction borders was also completed.

Further work has also been undertaken to increase the alignment between addressing and road datasets.

CADLITE AND PROPERTY DATASET ENHANCEMENTS

In accordance with the requirement to develop a more automated processing environment, PSMA Australia examined existing contributor datasets and identified improvements to group/strata titles, and improvements were also made in the spatial representations of group/strata records, particularly with multi-level sites.

Further to these improvements, PSMA Australia developed a new data processing methodology with a focus on defining standards for each dataset and developing the accompanying business processes which are orchestrated together to manage the update cycle.

ADMINISTRATIVE BOUNDARIES DATASET ENHANCEMENTS

The data management team has been undertaking continual refinement of the processing methodology, including new reporting system for data changes applied during updates. This also included:

- The population of gazettal dates for particular data themes
- The addition of both houses of parliament within the State Electoral Boundaries theme.

Through the use of Radius Studio, PSMA Australia has been able to considerably reduce the time required to process the Administrative Boundaries dataset. In the future, the Company is looking to include additional themes through the use of the new processing methodology.

POSTCODE BOUNDARIES

PSMA Australia has focused a lot of effort on strengthening the relationship with Australia Post, and this is reflected in the execution of a new agreement during the year.

Improvements were undertaken to the Postcode Boundaries dataset including:

- alignment of postcode boundaries with locality boundaries;
- consolidation of processes to deliver a single national dataset for both Australia Post internal use and PSMA Australia client use; and
- the inclusion of additional content to assist in the identification of areas without an allocated postcode.

POINTS OF INTEREST (POI) ENHANCEMENTS

PSMA Australia undertook a feasibility study to determine the viability of redeveloping the current Points of Interest dataset. In conjunction with the feasibility study, a national working group was established by the Australian Government, in which all Jurisdictions were represented, to further press the importance of collecting accurate Features and Points of Interest.

Work relating to the feasibility study has delivered a new method to integrate Points/Features of Interest information with addresses, allowing smooth integration with other PSMA Australia datasets. Furthermore, a relationship was formed with a new data supplier that will facilitate the improvement of the content of this product.

NEW PRODUCTS – RESEARCH AND DEVELOPMENT

PRODUCT LIFECYCLE AND PRODUCT DEVELOPMENT

The Company has established a new product lifecycle methodology for managing PSMA Australia data products and evaluating new initiatives. Market research was conducted during this reporting period on both established and proposed new datasets. This enabled the identification of opportunities and a focus on business development. The product lifecycle methodology will be an ongoing activity for PSMA Australia, with key areas of development identified as a part of each Annual Program.

NAMF COMPLIANCE

PSMA Australia undertook the development of the NAMF (National Address Management Framework) compliance specification on behalf of ANZLIC – the Spatial Information Council. The project provides infrastructure and services that will enable the improvement of address data quality and management through the provision address

validation engine compliance testing and notification services for unresolved address records.

LAND TENURE

The Company conducted research with Jurisdictions regarding their capacity to provide land use data. From this research, PSMA Australia completed a feasibility study to determine the viability of a land use dataset and the format in which it should be developed. Recommendations from this study were endorsed by the PSMA Australia Board and the new land use dataset is expected to be released in late 2010.

NATIONAL PLANNING ZONES INDEX (NPZI) INCLUDING LAND USAGE

During the reporting period, a feasibility study was conducted with the assistance of the Jurisdictions, to determine the viability of a National Planning Zones Index. Preliminary data harmonisation activities have occurred, which included classification data mappings based on sample datasets and classification schemes. At this time discussions with potential data contributors are ongoing and will continue into next financial year.

INTEGRATION OF RADIUS STUDIO WITHIN TRANSPORT AND TOPOGRAPHY

PSMA Australia has integrated Radius Studio into the PSMA Australia infrastructure and data management environment. To date the following has been achieved:

- The business rules have been re-affirmed for the roads theme
- Reporting Methodologies have been developed
- Internal and external testing programs have been developed
- Radius Studio content has been developed to identify areas not conforming to business rules and automatic corrections have been included.

Due to the progress made with the Radius Studio project, it is expected that the production environment for Radius Studio will be deployed late 2010.



RELATIONSHIPS AND COMMUNICATION BUSINESS UNIT

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JURISDICTIONAL – PSMA AUSTRALIA KNOWLEDGE INTEGRATION

PSMA Australia has encouraged knowledge integration by taking part in Australian Government working groups, implementing a Jurisdictional data management newsletter, and delivering three Jurisdictional Data Management Workshops. These knowledge-sharing activities have been invaluable to the relationship between the Company and the Jurisdictions and have resulted in increased collaboration, communication and operational transparency.

External to these more formalised activities, additional knowledge sharing has been undertaken during the implementation of data management activities within PSMA Australia. During the process of performing the data management for Administrative Boundaries and CadLite, the PSMA Australia staff have been in more direct contact with the Jurisdictions, gaining valuable knowledge about the datasets and providing feedback

regarding processes being used, and common errors encountered.

RELATIONSHIP MANAGEMENT

Over the past year, PSMA Australia has focused on widening its relationship management activities to reinvigorate past relationships and establish new partnerships. This collaboration with key stakeholders has primarily occurred via Jurisdictional Data Management Workshops, quarterly meetings, and enhanced communication between PSMA Australia and PSMA Distribution.

PSMA Australia's relationship with a number of corporate partners has also strengthened with:

- A new agreement being entered into with Australia Post, underpinned by an active and future-focused partnership
- Increased relationships with Geoscience Australia, leading to the development and implementation of services to support their CSDI Proof of Concept

- Closer alignment with the Australian Electoral Commission, including the development and implementation of the RollMap Demonstrator
- More formalised and structured relationships with the Australian Bureau of Statistics.

ANNUAL COMMUNICATIONS PROGRAM

In July 2009, PSMA Australia conducted a Communication Strategy Review of the internal and external communication requirements of the PSMA Group. This review addressed the PSMA Brand, current communication activities, and the strategic direction of the PSMA Group. From this review, a number of recommendations were submitted to the PSMA Australia senior management.

Previously utilised activities have continued during this review with PSMA Australia actively promoting itself, PSMA Data, LYNX Services and PSMA Distribution through:

- A clear and concise website
- Numerous sponsorship activities at conferences including Spatial@Gov, FIG Congress, and NatStats
- promotional materials, including corporate packs, drink bottles, pens and vests
- Newsletters for Jurisdictional data managers and Value-Added Resellers.



TECHNICAL INFRASTRUCTURE

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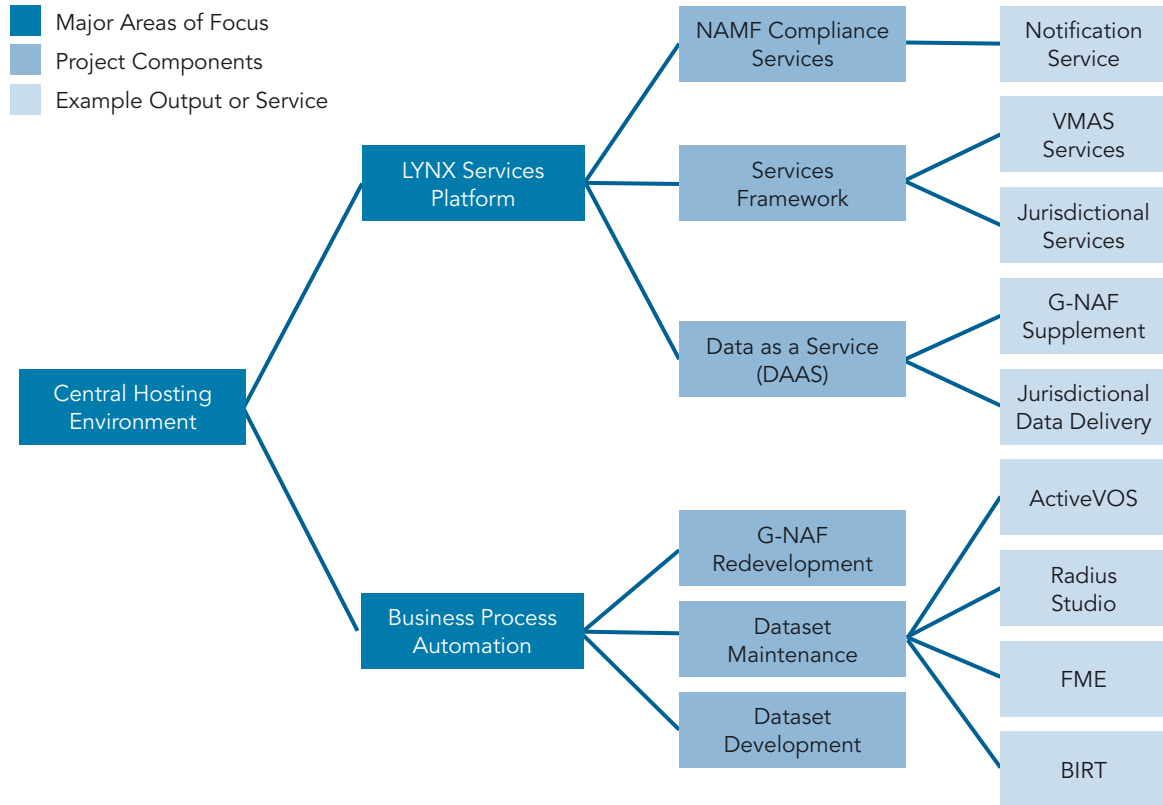
As a consequence of strategic considerations during 2006/07, the Board decided to make a transition from a product orientated business to one that also delivered services.

This decision recognised:

- a growing demand for services and transactional based solutions;
- A commoditisation of data and an expected downward pressure on price, and therefore, revenue growth;
- Rapid changes in technology including the convergence of computing power, location capability and communications;
- PSMA Australia's existing strength in spatial data management and a growing need for access to these resources; and
- the data usage and business model trends, internationally and locally, within business and government, and including the company's shareholder agencies.

Since that decision, PSMA Australia has invested more than \$3.25 million in the LYNX planning, design and infrastructure and the financial year 2009/10 constituted the most significant investment so far. With it also came some significant achievements, mostly focused around the fundamental building blocks that are required to support a fully operational LYNX by the end of the 2010/11 financial year.

LYNX activities, investment and achievements can be categorised according to the diagram below. There is a centralised hosting environment in which will exist two separate but related sets of capabilities. LYNX Business Process Automation is focused on improving internal efficiency of the data product management and development process. LYNX Services are available to assist the internal processes where necessary but also to assist external entities to utilise the data products, and to provide support and new opportunities to our partner network.



CENTRAL HOSTING ENVIRONMENT

Currently, infrastructure supporting PSMA Australia's operations is hosted in multiple environments, and the LYNX Redevelopment and Solution Design document recommended consolidation of hosting of the following:

- Data quality assurance, storage and delivery
- National Address Management Framework Compliance Service (NCS)
- LYNX Services
- Business Automation Environment - Radius Studio, FME ActiveVOS, BIRT

Achievements to date include establishment of estimated costs from the market, development of an options paper, and partial development of a Request for Quotation to procure the services.

LYNX SERVICES PLATFORM

The initial intention of LYNX Services was to provide incentive to the Jurisdictions to provide data more frequently to PSMA Australia. Its role was to provide a framework upon which Jurisdictions could share services and possibly data. Whilst this intention is still valid, a number of projects and opportunities

have arisen that LYNX Services is instrumental in advancing, including:

- National Address Management Framework (NAMF);
- Commonwealth Spatial Data Integration (CSDI);
- Provision of Jurisdiction specific data and service licensing through the PSMA Distribution VAR Network.

These opportunities have increased the importance of LYNX Services, and its role in PSMA Australia's future data and service provision.

PSMA Australia is currently providing two solutions:

- VMAS (servicing the Victorian Government)
- LYNX Services (providing test services, predominately used by Tasmania and currently being investigated by a number of other organisations).

Achievements to date include:

- Deployment of LYNX Services as a separate solution to VMAS;
 - A number of LYNX Services modifications such as the capacity to utilise multiple address verification engines, at multiple confidence and geocode levels and the ability to integrate web mapping services;
- Successful deployment of LYNX Services into CSDI;
- Successful testing of LYNX Services to enable an address validation solution for the Tasmanian Government.

NAMF COMPLIANCE SERVICES

ANZLIC approached PSMA Australia for assistance in implementing the National Address Management Framework (NAMF) Compliance Service (NCS). An opportunity existed to assist ANZLIC while promoting the use of G-NAF, supporting the feedback of issues

with addresses back to PSMA Australia's contributors, and potentially speeding up the supply chain.

It is very pleasing to report that significant progress has been made on this initiative for ANZLIC. All the necessary web services have been built, as has a website and a variety of sample Applications for iPhone, Excel, .Net, Java and AJAX. The iPhone application, iNotify, is generating considerable interest and has been loaded to several iPads for demonstration purposes.

BUSINESS PROCESS AUTOMATION

The LYNX Redevelopment Program was initiated to allow PSMA Australia to access more control over its data management processes. Additionally, there was a desire to improve the quality of output and lower the cost of production for new datasets through reuse of existing processes.

At the conclusion of the year, the project to develop the Radius Studio rules was well under way. These rules control the data quality, standardisation and integration processes. Administrative Boundaries and CadLite maintenance are now being performed in house using the newly developed processes and rules, as well as numerous follow on products such as the National Broadband Network dataset for DBCDE, based on G-NAF. Transport and Topography is also well underway with an expected finish date of early November 2010.

In summary, the necessary tools for process automation have been obtained and prototyped. A significant increase in understanding of the contributor data, and the product creation process has been achieved. Radius Studio rules were developed for Localities and Local Government Areas (first release August 2009) and CadLite and Property (first release May 2010). More detailed and automated reporting data has been created as well as the establishment of web services for Quality Assurance. Finally, a proof of concept exercise designed to test the solution design components was also successfully undertaken.



PSMA DISTRIBUTION

24

The conclusion of this financial year marks the second year of operation of PSMA Distribution. In hindsight, it was not the best time to establish a new business with the additional pressures of a global financial crisis. However, despite the difficult climate, the new organisation has generated some solid progress. The Board is confident that the 6.5% increase in royalties for this year would not have been achieved without the subsidiary and that the revenue growth has remained positive during both of the last two financial years.

PARTNER NETWORK MANAGEMENT

A major focus for PSMA Distribution is the management and support of the partner network of Value Added Resellers (VARs). Their ability to reach new markets and develop new products that support PSMA Australia's objectives is vital, and PSMA Distribution has initiated a number of programs over the year to build VAR capability including:

- **The identification of strategic partners** - This is aimed at identifying and supporting partners that can increase the profile and brand of the PSMA Group as the authoritative suppliers of spatially related data. This will be an ongoing program that works closely with the Key Influencer Program.
- **End Consumer Analysis** - This work has been focused on confirming who used VAR products that contain PSMA Data and how they are being used. The information will assist in establishing trends and future requirements for data products.
- **New non-GIS VAR** - Many of the existing VARs are traditional spatially focused businesses however as the market for spatially related

solutions grows, the importance of establishing VARs in these new vertical market segments becomes increasingly important.

PRICING AND LICENSING

Equally important for PSMA Distribution is the responsibility that it has for licensing and pricing. A number of significant milestones have been achieved in this area during the year including:

- **Comprehensive review of the Pricing Policy** – This important piece of work is ongoing but nearing completion. It is taking into account the changing nature of data use and the impact of technology on the pricing philosophy.
- **New Licensing Agreements** – With the establishment of PSMA Distribution came the need to transfer the license agreements from PSMA Australia. This provided an excellent opportunity to examine what amendments could be made to the agreements to streamline them. This is a difficult task as there is still a requirement to meet obligations in the underlying agreements with jurisdictions. This work is still ongoing.
- **LYNX Services Business Model** – As the LYNX Services environment matures, it is important to consider the model by which these services can be promoted to, and used by, the partner network. Work has commenced on examining these models and engaging partners in this new opportunity.



ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010

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CORPORATE DIRECTORY

Chairman	Olaf Hedberg AM
Chief Executive Officer	Daniel Paull
Registered Office	Level 2 / 113 Canberra Avenue Griffith ACT 2603
Principal Place of Business	Level 2 / 113 Canberra Avenue Griffith ACT 2603
Share Register	Level 2 / 113 Canberra Avenue Griffith ACT 2603
Auditors	Maxim Chartered Accountants Level 2 / 59 Wentworth Avenue Kingston ACT 2604
Solicitors	Norton Rose Level 5 / 1 Hobart Place Canberra ACT 2601
Bankers	National Australia Bank Limited 39 Wollongong Street Fyshwick ACT 2609
Directors	Michael Bradford Stephen Godfrey Olaf Hedberg AM (Chairman) William Hirst Martin Holmes Steven Jacoby Kate Kent Desmond Mooney Kym Nicolson Mary O’Kane John O’Malley Benjamin Searle Victor Stephens Bruce Thompson Peter Tooley
Company Secretary	Daniel Paull
Executive Committee	Olaf Hedberg AM (Chairman) Martin Holmes Desmond Mooney Daniel Paull Benjamin Searle
Board Audit Committee	Michael Bradford (Chairman) Stephen Godfrey Kym Nicolson John O’Malley

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

The directors present their report together with the financial report of PSMA Australia Limited and of the Group, being the Company and its subsidiary, for the financial year ended 30 June 2010 and the auditor's report thereon.

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1 DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Name:	Michael Bradford
Age:	45
Qualifications and Experience:	Bachelor of Surveying, Master of Management Studies (Project Management) 2009-present: Chief Executive, Landgate, Western Australia 2007-2009: Executive Director, Information Access, Landgate, Western Australia
Special Responsibilities:	Company Director, Audit Committee chairman
Name:	Stephen Godfrey
Age:	55
Qualifications and Experience:	Bachelor of Arts 2002-2009: General Manager, Information & Land Services Division, Department of Primary Industries and Water, Tasmania 2008-present: Director PSMA Distribution Pty Ltd
Special Responsibilities:	Company Director, member of Audit Committee. Resignation effective from October 2009
Name:	Olaf Hedberg AM
Age:	72
Qualifications and Experience:	2008: Awarded Member of the Order of Australia for service to the spatial information industry within Tasmania and nationally, particularly through contributions to a range of public sector agencies. 2002-present: Principal Dakel Nominees, Information Management and Land Administration Consultants 2008-present: Chairman of PSMA Distribution Pty Ltd Chairman of Victorian Spatial Council, Member of NSW Land and Property Advisory Committee, representative of the Australian Spatial Consortium 1991-2002: General Manager, Information and Land Services Division, Department of Primary Industries, Water and Environment, Tasmania
Special Responsibilities:	Independent Company Director, Chairman of the Board, Chairman of the Executive Committee.
Name:	William Hirst
Age:	58
Qualifications and Experience:	Bachelor of Surveying, Master of Surveying Science, Graduate Diploma of Management

2007-Present: Surveyor – General of the ACT
 1997–2007: Manager, Maritime Boundaries and Advice, Geoscience Australia
 1994–1997: IT / R&D Manager, Australian Surveying and Land Information Group (AUSLIG)

Special Responsibilities: Company Director

Name: Martin Holmes

Age: 64

Qualifications and Experience: Bachelor of Economics, Bachelor of Business, Certificate of Advanced Management, Diploma of Export Management, Graduate Certificate of Leadership, Diploma of Company Directors, Graduate Certificate of Management, FAICD

Retired in 2009 as Assistant Director General, Department of Employment, Economic Development and Innovation, Queensland

2008-present: Director PSMA Distribution Pty Ltd

Special Responsibilities: Independent Company Director, Marketing Director, member of the Executive Committee

Name: Steven Jacoby

Age: 48

Qualifications and Experience: Master of Surveying Science, Bachelor of Applied Science

2009-present: General Manager, Spatial Information Group, Department of Environment and Resource Management, Queensland

2003-2008: Chief Information Officer, Department of Natural Resources and Water, Queensland

1996-2002: Director, Land Information Group, Victoria

Special Responsibilities: Company Director

Name: Kate Kent

Age: 47

Qualifications and Experience: Master of Economics (UWA), Diploma in Education (UWA), Graduate of Australian Institute of Company Directors

2009-present: General Manager, Information and Land Services, Dept Primary Industries, Parks, Water and Environment, Tasmania

2003-present: Honorary Lecturer, School of Government, University of Tasmania

2005-2009: General Manager, Strategic Policy, DPIWE (Tas)

2005-2009: Board member, Lady Gowrie Tasmania

Special Responsibilities: Company Director

Name:	Desmond Mooney
Age:	60
Qualifications and Experience:	<p>Master of Business Administration, Bachelor of Surveying (Hons), Company Directors Diploma, Registered Surveyor, Registered Valuer, FAIM, FAICD, JP.</p> <p>June 2009-present: Division General Manager, Land and Property Information, New South Wales</p> <p>2003-June 2009: Deputy Director General, Department of Lands, and General Manager - Land and Property Information, New South Wales</p> <p>2008-present: Director PSMA Distribution Pty Ltd</p> <p>2001-2002: General Manager, Land and Property Information, New South Wales</p> <p>1999-2000: Executive Director, Management Services, New South Wales Police Services</p> <p>1990-1998: General Manager, Land Information Centre, New South Wales</p>
Special Responsibilities:	Company Director, member of Executive Committee
Name:	Kym Nicolson
Age:	53
Qualifications and Experience:	<p>Bachelor of Science.(Hons), Ph.D., University of Adelaide</p> <p>2009-present: Director, Public Land Stewardship, Department of Environment and Heritage, South Australia</p> <p>2008-2009: Executive Director, People and Strategy, Department of Environment and Heritage, South Australia</p> <p>2005-2008: Director, Environmental Information Directorate, Department for Environment and Heritage, South Australia</p>
Special Responsibilities:	Company Director, Audit Committee member. Resignation effective October 2009
Name:	Mary O’Kane
Age:	55
Qualifications and Experience:	<p>Bachelor of Science (Qld), Ph.D (ANU), Hon D.Univ (CQU), FTSE, FIEAust, CPEng</p> <p>2001-present: company director and executive chair, Mary O’Kane & Assoc Pty Ltd</p> <p>2007-present: Chair, Cooperative Research Centre for Spatial Information (CRC SI)</p> <p>2008-present: NSW Chief Scientist and Scientific Engineer</p> <p>2009-present: Member, NSW Spatial Council</p> <p>1996-2001: Vice-Chancellor, President, Rector, The University of Adelaide</p>
Special Responsibilities:	Independent Company Director

Name:	John O'Malley
Age:	58
Qualifications and Experience:	Graduate Diploma Public Sector Administration, Associate Diploma Accounting, Business Certificate Supply 2010-present: Executive Director, Client Services, Department of Environment and Natural Resources, South Australia 2007-2010: Executive Director, Information, Science and Technology, Dept for Environment and Heritage, South Australia 2009-present: Director, Board for the Australian Centre for Evolutionary Biology and Biodiversity 2008-present: Chair, SA Spatial Information Committee 2009-present: Member, Natural Resources Policies and Programs Committee, South Australia 2000-2007: Director, Business Operations, Dept for Environment and Heritage, South Australia
Special Responsibilities:	Company Director, Audit Committee member
Name:	Benjamin Searle
Age:	55
Qualifications and Experience:	Bachelor of Science (Geography) 2007-present: General Manager, Australian Government Office of Spatial Data Management 2002-2007: Manager, Information Services, ACT Planning and Land Authority, Australian Capital Territory
Special Responsibilities:	Company Director, member of Executive Committee
Name:	Victor Stephens
Age:	63
Qualifications and Experience:	Bachelor of Arts (Hons) (Geography), Master of Science Econ (Urban and Regional Planning), Graduate Diploma Management 2001-present: Senior Director, Land Information, Department of Lands and Planning, Northern Territory 1995-2001: Assistant Secretary, Land Information, Department of Lands, Planning and Environment, Northern Territory
Special Responsibilities:	Company Director

Name:	Bruce Thompson
Age:	52
Qualifications and Experience:	Bachelor of Design Studies, Master Business Information Technology Current: Director, Spatial Information Infrastructure, Department of Sustainability and Environment, Victoria 2003: Director, Land Information Group, Department of Sustainability and Environment, Victoria
Special Responsibilities:	Company Director

Name:	Peter Tooley
Age:	58
Qualifications and Experience:	Bachelor of Business, Registered Valuer 2009-present: General Manager, Online Service, Department of Environment and Resource Management, Queensland 2008-2009: General Manager, Information Policy, Department of Natural Resources and Water, Queensland 2000-2008: General Manager, Land Information, Department of Natural Resources and Water, Queensland
Special Responsibilities:	Company Director. Resignation effective October 2009

2 COMPANY SECRETARY

Name:	Daniel Paull
Age:	39
Qualifications and Experience:	Master of Business Administration (Executive), Bachelor of Surveying (Hons), Company Directors Diploma, Certificate of Competency – Board of Surveyors NSW, Advanced Diploma in Project Management 2001-present: Chief Executive Officer, PSMA Australia. Appointed Public Officer and Company Secretary 20 June 2001 2008-present: Director, Company Secretary, Public Officer, PSMA Distribution Pty Ltd
Special Responsibilities:	CEO of PSMA Australia Limited, Company Secretary, Public Officer

3 DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) held during the year, and the number of meetings attended by each of the persons holding office as directors and officers of the company at the date of this report, are as follows:

	Directors Meetings	Audit Committee	Executive Committee	Extraordinary Directors' Meeting
Number of meetings held	4	4	4	1 (teleconference)
Michael Bradford	3	4		1
Stephen Godfrey	1	4		
Olaf Hedberg AM(c)	4		4	1
William Hirst	4			1
Martin Holmes	4		4	1
Stephen Jacoby	3			1
Kate Kent	4			1
Desmond Mooney	4		4	1
Kym Nicolson	2	1		1
Mary O'Kane	4			1
John O'Malley	3	3		
Daniel Paull	4	2	4	1
Benjamin Searle	4		4	1
Victor Stephens	4			1
Bruce Thompson	4			1
Peter Tooley	1			

4 CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place throughout the financial year

4.1 BOARD OF DIRECTORS

Role of the board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring budgets and capital expenditure, appointing and evaluating performance of chief executive officer, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal controls and management information systems. It is also responsible for approving and monitoring financial processes and reporting.

The board has delegated responsibility for operation and administration of the Company to the chief executive officer and executive committee. Responsibilities are delineated by formal authority delegations.

Board processes

To assist in the execution of its responsibilities, the board has established two permanent committees, the Executive Committee and the Audit Committee. These committees have written mandates and operating procedures which are reviewed annually. The board has also established a framework for the management of the Group including a system of internal controls, a business risk management process, and a guideline of appropriate ethical standards. Other committees are established as required on an ad hoc basis.

The board currently holds four scheduled meetings each year. The agenda for the meetings is prepared in conjunction with the chairman, chief executive officer and company secretary. Standing items include the chief executive officer's report, financial reports, strategic matters, governance and compliance. Directors have opportunities during visits to business operations, for contact with a wide group of employees.

Composition of the board

The names of the directors of the Company at any time during or since the end of the financial year, specifying which are independent, are set out in the Directors' Report. The composition of the board is determined using the following principles :

- not less than three directors nor more than twelve
- up to nine directors appointed by shareholders in jurisdictions
- up to three directors as independents
- independent directors having a blend of expertise in finance and accounting, law, marketing and the Company's business drivers
- chairperson shall be an independent director

4.2 REMUNERATION OF DIRECTORS

No director of the company has received or become entitled to receive a benefit not shown in the financial statements by reason of a contract made by the company with a director or with a firm of which any director is a member, or with a company in which any director has a substantial financial interest. Transactions with related parties have been disclosed in Note 23.

4.3 COMMITTEES OF THE BOARD

At the date of this report, the company had an Audit Committee and an Executive Committee. Members acting on the committees of the board during the year were

Executive Committee:

Olaf Hedberg AM (chairman)
Martin Holmes
Desmond Mooney
Benjamin Searle
Dan Paull

Audit Committee:

Michael Bradford (chairman)
Stephen Godfrey
Kym Nicolson (resigned Oct 2009)
John O'Malley

Executive committee

The Executive Committee acts on behalf on the board between meetings, providing a degree of flexibility and the ability to respond to time-sensitive business and legal matters without calling a special board meeting. The key function of the Executive Committee is to oversee the management of the Company including review of key projects, approving and monitoring budgets and capital expenditure, overseeing the implementation of strategy and day-to-day management and the financial viability of the Company. Actions taken by the committee are binding and do not require ratification by the board to be legally effective.

The Executive Committee comprises at least three directors and the chief executive officer. The chairperson of the board also chairs the Executive Committee.

The committee met four times during the year and committee members' attendance record is disclosed in the table of directors meetings in the Directors' Report.

Audit committee

The Audit Committee has a documented charter, approved by the board. The committee advises on the establishment and maintenance of a framework of internal controls, appointment and liaison with internal and external auditors, financial processes and reporting, and regular monitoring of the Group's risk registers.

The Audit Committee comprises three directors. At the discretion of the committee, the chief executive officer, chief of operations and the finance manager are invited to audit committee meetings.

The committee met four times during the year and committee members' attendance record is disclosed in the table of directors meetings in the Directors' Report.

4.4 CONFLICT OF INTERESTS

Directors must keep the board informed, on an ongoing basis, of any interests that could potentially conflict with those of the Company. Where the board believes that a significant conflict exists for a director on a board matter, the director concerned will not receive the relevant board papers and will not be present at the meeting while the matter is considered. Directors are reminded to update the register of any interests and conflicts at the beginning of each board meeting.

4.5 RISK MANAGEMENT

The Group takes a proactive approach to risk management. The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the board.

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

- board approval of the strategic plan which encompasses the Company's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- implementation and monitoring of shareholder approved Annual Program and budget and board monitoring of progress against the same.
- establishment of a Risk Register which is subject to regular maintenance and quarterly review by the audit committee and board.

8 PRINCIPAL ACTIVITIES

The principal objectives of the Group during the year were to coordinate, assemble and deliver national datasets from data held by the states, territories and Commonwealth governments and to achieve the widest possible use of the PSMA Australia datasets.

There were no significant changes in the nature of the Group's principal activities during the year.

9 REVIEW OF OPERATIONS

An analysis of operations for the financial year is set out in the Review of Operations section on pages 6 to 26 of the PSMA Australia Limited Annual Report 2009-2010.

10 PERFORMANCE MANAGEMENT

Management and the board monitor the Group's overall performance from the implementation of the mission statement and strategic plan through to the performance of the Group against its Annual Program and financial budgets.

The directors receive both financial and strategic reports for review prior to each quarterly board meeting allowing all directors to actively monitor the Group's performance.

11 OPERATING RESULTS

The Group earned an operating profit of \$1,021,856 for the financial year from 1 July 2009 to 30 June 2010. Net profit amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

12 DIVIDENDS

No dividends or distributions were paid, recommended or declared to members for the period 1 July 2009 to 30 June 2010.

13 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the state of affairs occurred during the financial year.

14 EVENTS SUBSEQUENT TO BALANCE DATE

In the interval between the end of the financial year and the date of this report, there has arisen no item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

15 FUTURE DEVELOPMENTS

Future developments which may affect the operations of the Group in subsequent financial years are summarised in the Strategic Plan section in the Review of Operations on pages 6 to 26 of the PSMA Australia Limited Annual Report 2009-10.

16 OPTIONS

No options were granted over unissued shares or interest during the period 1 July 2009 to 30 June 2010. No shares or interests have been issued during or since the end of the year as the result of the exercise of an option over unissued shares or interests.

17 INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITOR

During or since the end of financial year the Group has paid or agreed to pay insurance premiums of \$7,870 to QBE Insurance in respect of a policy that specifically covers Directors' and Officers Liability, and \$932.50 to ACE Insurance in respect of a policy that provides personal accident insurance for non-working directors and volunteers.

The Group has not, during or since the financial period, in respect of any person who is or has been an officer or auditor of the company:

- indemnified, or made any relevant agreement for indemnifying, against a liability that was incurred by an officer of the Company, including costs and expenses in defending legal proceedings; or
- paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Company, for the costs and expenses in defending legal proceedings.

18 PROCEEDINGS ON BEHALF OF THE COMPANY

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


19 AUDITOR'S INDEPENDENCE DECLARATION

During the year Maxim Chartered Accountant has performed certain other services in addition to their statutory duties. The board is satisfied that the non-audit services provided by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or sharing risks and rewards.

Details of the amounts paid to the auditor, Maxim Chartered Accountants, for the audit and non-audit services provided during the year are set out in Note 24 'Auditor's Remuneration' on Page 69.

The auditor's independence declaration is set out on page 41 and forms part of the directors' report for the financial year ended 30 June 2010

This report is made in accordance with a resolution of the Directors:



Olaf Hedberg AM

Chairman, PSMA Australia Limited

Dated at Canberra this 4th day of October 2010.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of PSMA Australia Limited, we state that:

In the opinion of the Directors of PSMA Australia Limited:

- a. the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2010 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in notes 2.1 and 3.14
- c. there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Olaf Hedberg AM

Chairman, PSMA Australia Limited

Dated at Canberra this 4th day of October 2010



Desmond Mooney

Deputy Chairman, PSMA Australia Limited

Dated at Canberra this 4th day of October 2010

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated		Company	
		2010	2009	2010	2009
		\$	\$	\$	\$
Revenue					
Services revenue	7	1,025,496	1,001,612	-	33,747
Royalties	7	4,794,073	4,496,982	-	-
Interest	10	189,097	338,215	186,941	336,604
Other income	7	558,751	66,845	556,251	64,345
Total revenues from ordinary activities	7	6,567,417	5,903,654	743,192	434,696
Expenses from operations					
Employee benefits expense	17,18	2,573,635	2,266,018	2,108,207	1,935,136
Depreciation and amortisation expenses	11	169,634	98,291	169,634	98,291
Other expenses		2,802,293	3,786,702	2,653,164	3,599,404
Total expenses from operations		5,545,562	6,151,012	4,931,005	5,632,831
Profit from operations		1,021,856	(247,358)	(4,187,816)	(5,198,135)
Inter company transfers					
Licence Fee Income				4,744,137	5,417,867
Profit attributable to members		1,021,856	(247,358)	556,321	219,732
Dividends per share (cents)		-	-	-	-

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	Note	Consolidated		Company	
		2010 \$	2009 \$	2010 \$	2009 \$
ASSETS					
Current assets					
	15.1				
Cash and cash equivalents	14	3,720,123	4,959,842	3,213,748	4,663,732
Trade and other receivables		1,506,022	1,267,631	2,029,784	1,876,945
Total current assets		5,226,145	6,227,473	5,243,532	6,540,677
Non-current assets					
Financial assets	13	-	500,000	-	500,000
Investment in subsidiary				1	1
Property, plant and equipment	11	612,659	259,746	612,659	259,746
Intangible assets	12	2,530,579	2,200,143	2,530,579	2,200,143
Total non-current assets		3,143,239	2,959,889	3,143,239	2,959,889
TOTAL ASSETS		8,369,384	9,187,363	8,386,770	9,500,566
LIABILITIES					
Current liabilities					
Trade and other payables	19	1,914,421	2,574,355	1,959,439	2,437,326
Provisions	18	84,796	95,883	55,606	79,026
Total current liabilities		1,999,217	2,670,238	2,015,045	2,516,352
Non-current liabilities					
Provisions	18	89,325	69,767	89,325	69,767
Building Fitout Incentive		162,342		162,342	
Total non-current liabilities		251,667	69,767	251,667	69,767
TOTAL LIABILITIES		2,250,884	2,740,005	2,266,712	2,586,119
NET ASSETS		6,118,499	6,447,357	6,120,058	6,914,447
EQUITY					
Issued capital	16	9	9	9	9
Retained earnings and reserves	16	6,118,490	6,447,348	6,120,049	6,914,438
TOTAL EQUITY		6,118,499	6,447,357	6,120,058	6,914,447

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2010

	Note	Consolidated		Company	
		2010 \$	2009 \$	2010 \$	2009 \$
Cash flows					
Receipts from customers		6,378,320	4,316,181	5,300,388	5,324,982
Payments to suppliers and employees		(7,454,153)	(5,007,440)	(6,584,331)	(6,310,740)
Interest received	10	189,097	338,215	186,941	336,604
Net cash provided by operating activities	15.2	(886,736)	(353,044)	(1,097,002)	(649,154)
Cash flows from investing activities					
Purchase of intangible assets		(330,436)		(330,436)	
Purchase of plant and equipment	11.2	(522,547)	(156,004)	(522,547)	(156,004)
Net cash provided by investing activities		(852,983)	(156,004)	(852,983)	(156,004)
Net increase in cash held		(1,739,719)	(930,259)	(1,949,985)	(1,226,369)
Cash at beginning of year		5,459,842	6,390,101	5,163,732	6,390,101
Cash at end of year	15	3,720,123	5,459,842	3,213,748	5,163,732

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Share Capital (ordinary)	Retained Earnings	Special Project Reserve
		\$	\$	\$
Balance at 1 July 2008		9	6,829,809	500,000
Transfers to and from reserve				
Special project reserve				2,000,000
LYNX development costs				(635,103)
Transfers from retained profits			(2,000,000)	
Profit attributable to members			(247,358)	
Balance at 30 June 2009		9	4,582,451	1,864,897
Transfers to and from reserve				
LYNX development costs				(1,350,714)
Profit attributable to members			1,021,856	
Balance at 30 June 2010	16	9	5,604,307	514,183

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1 REPORTING ENTITY

PSMA Australia Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia.

The address of the Company's registered office is Level 2 / 113 Canberra Avenue, Griffith ACT 2603.

The consolidated financial statements of the Company as at and for the year ended 30 June 2010 comprise the Company and its subsidiary (together referred to as the 'Group' and individually as 'Group entities').

The nature of the operations and principal activities of the Group during the year were the coordination, assembly and delivery of national datasets from data held by the states, territories and Commonwealth governments, and the achievement of the widest possible use of the PSMA Australia datasets.

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1 BASIS OF PREPARATION

1.1 STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Interpretations and other authoritative pronouncements adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*. The consolidated financial report of the Group and the financial report of the Company comply with International Financial reporting Standards (IFRS) and interpretations adopted by the international Accounting Standards Board (IASB).

The financial statements for the year ended 30 June 2010 were authorised for issue in accordance with a resolution of the directors on 18 August 2010.

2.2 BASIS OF MEASUREMENT

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The method used to measure fair value have been discussed further in Note 4.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, though estimates and underlying assumptions are

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- note 12 – measurement of the recoverable amounts of cash-generating units containing intangible assets
- note 18 – provision accounts
- note 20 – valuation of financial instruments

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Impairment losses are recognised in the income statement.

Key estimates – impairment

The current policy is to determine the recoverable amount of an asset on the basis of the discounted net cash flows that will be received from the asset's use. It is unlikely that impairments will be recognised in the short term.

Impairment testing as at July 2010 confirmed no impairment of the G-NAF (Geo-coded National Address File), or the LYNX Data Logistics Facility as disclosed in the entity's financial statements.

The company determines whether intangibles with indefinite useful lives are impaired on at least an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the intangibles with indefinite useful lives are allocated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

3.1 BASIS OF CONSOLIDATION

Subsidiary

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commenced until the date that control ceases. The accounting policies of the subsidiary have been changed when necessary to align them with the policies adopted by the Group.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 FINANCIAL INSTRUMENTS

Non-derivative financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of six months or less.

Receivables

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

Key judgement – provision for impairment of receivables

The directors believe that the full amount of each debt is recoverable, and no provision for impairment of receivables has been made at balance date.

Held-to-maturity investments

These investments have fixed maturities, and it's the Company's intention to hold these investments to maturity. Any held-to-maturity investments are measured at amortised cost using the effective interest rate method.

Financial assets at fair value through profit or loss

An financial asset is classified as at fair value through profit or loss if it is acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Financial Instruments: Recognition and Measurement. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Financial liabilities

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

3.3 SHARE CAPITAL

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

3.4 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Items of property, plant and equipment are measured at cost or fair value less, where applicable, any accumulated depreciation and impairment loss.

Plant and equipment

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 amounts, 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.

Depreciation

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful life of an item of property, plant or equipment, commencing from the time the asset is held ready for use.

The estimated useful lives for the current and comparative period are:

Class of fixed asset	Estimated useful life	Depreciation rate
plant and equipment	5 years	20%
furniture and fittings	5 years	20%
computer hardware	3 years	33%
computer software	3 years	33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance 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 disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

3.5 INTANGIBLE ASSETS

Intangible assets are initially carried at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment when there is an indication that the intangible asset

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at least at each financial year-end, and the amortisation expense is recognised in the profit and loss.

Intangible assets with an indefinite useful life are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Datasets developed using intellectual property owned by PSMA Australia Limited are valued in the accounts at cost of development and enhancements of the asset.

3.6 IMPAIRMENT OF ASSETS

At each reporting date, the Company 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 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 an asset's carrying value over its recoverable amount is expensed in the income statement.

Impairment testing is performed annually for 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.

3.7 RESEARCH AND DEVELOPMENT

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

An intangible asset arising from development expenditure on an internal project is recognised only when the company can demonstrate

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete, and its ability to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the development, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost for an intangible asset with indefinite useful life, or cost less any accumulated amortisation and accumulated impairment losses for an asset with a finite life. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

In the financial year ended 30 June 2010, an additional \$328,072 of development expenditure for the data logistics facility called LYNX was recognised by the company as an intangible asset with an indefinite useful life.

The existing G-NAF intangible asset was revalued by the addition of \$2,363 being for enhancements to the database other than the maintenance costs during the reporting period.

3.8 EMPLOYEE BENEFITS

Long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of the future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds.

Short-term employee benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, and are calculated as undiscounted amounts based on the remuneration wages and salary rates that the Group expects to pay as at reporting date including related on-costs such as workers' compensation insurance and payroll tax.

3.9 PROVISIONS

Provisions are recognised if, as a result of a past event:

- the Group has a present legal or constructive obligation as a result of a past event
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting future cash flows using a current rate that reflects the risk specific to the liability.

3.10 REVENUE RECOGNITION

Revenue is recognised when the Group's right to receive the payment is established.

Royalties are recognised on an accruals basis in accordance with the relevant agreement. Royalties from the sale of spatial data are recognised upon receipt of a royalty report from Value Added Resellers (VARs) detailing the number and value of sales for the period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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

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

3.11 LEASES

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

3.12 INCOME TAX

The Company and its wholly-owned Australian subsidiary are exempt from income tax under the provisions of Section 24AM of Division 1AB of the *Income Tax Assessment Act 1936* on the grounds that the Company is a State/Territory body.

3.13 GOODS AND SERVICES TAX (GST)

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

- where the amount of GST incurred 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.
- for receivables and payables which are shown inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office, is included as part of the receivables and payables in the Balance Sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of the cash flows arising from investing and financial activities, which is recoverable from or payable to the Australian Taxation Office, are classified as operating cash flows.

3.14 CHANGES IN ACCOUNTING POLICY

The following are Australian Accounting Standards have been issued or amended which may impact the Group. They are available for early adoption, but have not been applied in preparation of the financial statements at reporting date.

Standards affected	Application date of standard
AASB101: Presentation of Financial Statements –revised standard	Effective for Group's 30 June 2010 financial statements
AASB123: Borrowing Costs	Effective for Group's 30 June 2010 financial statements
AASB 127: Consolidated and Separate Financial Statements	Effective for Group's 30 June 2010 financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Group.

The application of AASB101, AASB123 and AASB127 will not affect the recognition or measurement of transactions and events in the financial statements, but will change the disclosures presently made in relation to the Group's financial instruments and the objectives, policies and processes for managing capital.

These standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be in the Group's annual reporting period beginning 1 July 2010.

4 DETERMINATIONS OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

4.1 PLANT AND EQUIPMENT

The fair value of plant, equipment, furniture and fittings is based on quoted market prices for similar items.

4.2 INTANGIBLE ASSETS

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

4.3 INVESTMENTS IN EQUITY AND DEBT SECURITIES

The fair value of financial assets at fair value through profit or loss and held-to-maturity investments is determined by reference to their quoted bid price at reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

4.4 TRADE AND OTHER RECEIVABLES

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date

5 FINANCIAL RISK MANAGEMENT

The Company and Group have exposure to the following risks from its use of financial instruments:

- credit risk

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

- liquidity risk
- market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, and the Audit Committee oversees how management monitors compliance with the Company's and Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company and Group.

5.1 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and investment securities. For the Company it arises from receivables due from the subsidiary.

The maximum exposure to credit risk for recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial report.

Trade and other receivables

The Group has a limited exposure to credit risk from receivables as all licencing arrangements with resellers are negotiated as data licence contracts signed by both parties. Failure to abide by the terms of the contract could result in a withdrawal of data services and a refusal to negotiate a new contract by the Group.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating of A1+ from Standard & Poor's. Given these high ratings, management does not expect any counterparty to fail to meet its obligations.

5.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group has sufficient cash on hand to meet expected operational expenses for 90 days, and maintains a minimum of \$2.5 million in short-term financial instruments that can be drawn down to meet financing needs.

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	fixed interest rate maturing within 1 year		fixed interest rate maturing 1-5 yrs		floating interest rate		non-interest bearing		total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
FINANCIAL ASSETS										
Cash					1,615,247	959,842			1,615,248	959,842
Receivable							1,506,022	1,267,632	1,506,022	1,267,632
Investment	2,104,876	4,000,000	-	500,000					2,104,876	4,500,000
Total	2,104,876	4,000,000	-	500,000	1,615,247	959,842	1,506,022	1,267,632	5,222,239	6,727,474
FINANCIAL LIABILITIES										
Payable							1,914,421	2,574,356	1,914,421	2,574,356
Total	n/a	n/a	n/a	n/a	n/a	n/a	1,914,421	2,574,326	1,914,421	2,574,326

5.3 MARKET RISK

The Group's principal exposure to market risk is in interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Group's principal financial instruments comprise cash and short term deposits, and the primary purpose of the Group's investment strategy is to maximise investment returns in order to contribute to the funding of the Group's operations.

5.4 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the stability of capital and has agreed by resolution that

- current ratio should not fall below 1:2
- current assets should exceed current liabilities by three months projected operating costs, and
- the Company should have a minimum of \$2,500,000 in short term financial instruments

There are no changes in the management approach to capital management during the year, and neither the Company nor its subsidiary are subject to externally imposed capital requirements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

6 SEGMENT REPORTING

The Group operates in one geographical segment, namely Australia, and one business segment, namely the provision of spatial data in Australia.

7 REVENUE AND OTHER INCOME

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Services revenue			-	-
VAR Access fees	428,223	397,865	-	-
Corporate Access Fees	597,273	603,747	-	33,747
Total services revenue	1,025,496	1,001,612	-	33,747
Non-services revenue				
Royalties	4,794,073	4,496,982	-	-
Interest	189,097	338,215	186,941	336,604
Rental sublease and reimbursables	53,861	62,777	53,861	62,777
Consulting	463,186	2,500	460,686	-
Miscellaneous	41,704	1,568	41,704	1,568
Total non-services income	5,541,921	4,902,042	743,192	400,949
Total revenue	6,567,417	5,903,654	743,192	434,696

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2010

8 PROFIT ATTRIBUTABLE TO MEMBERS

PROFIT FROM ORDINARY ACTIVITIES IS ATTRIBUTABLE TO MEMBERS AFTER:

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Other expenses				
Depreciation of plant and equipment	169,634	98,291	169,634	98,291
Total other expenses	169,634	98,291	169,634	98,291
Remuneration of auditor				
Auditing or reviewing the financial report	61,282	17,000	61,282	17,000
Taxation services	1,400	8,210	1,400	8,210
Total remuneration of auditor	62,682	25,210	62,682	25,210
Rental expense on operating leases:				
Office space (including sub-lease)	188,349	175,819	173,373	159,829
Total rental expense on operating leases	188,349	175,819	173,373	159,829

9 INCOME TAX EXPENSES

The Company is exempt from income tax under the provisions of Section 24AM of Division 1AB of the *Income Tax Assessment Act 1936* on the grounds that it is a State/Territory body.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

10 FINANCE INCOME AND EXPENSES

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Interest income on unimpaired held-to-maturity investments	146,674	240,828	146,674	240,828
Interest income on bank deposits	42,423	97,387	40,266	95,776
Finance income	189,097	338,215	186,941	336,604
Finance and impairment expenses	2,521	2,806	1,898	1,817
Finance expense	2,521	2,806	1,898	1,817
Net finance income	186,576	335,409	185,043	334,787

11 PLANT AND EQUIPMENT

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
IT Equipment – at cost	456,189	341,810	456,189	341,810
Accumulated depreciation	(205,848)	(136,458)	(205,848)	(136,458)
	250,341	205,353	250,341	205,353
Furniture and Equipment	139,718	73,842	139,718	73,842
Accumulated depreciation	(40,709)	(19,449)	(40,709)	(19,449)
	99,010	54,393	99,010	54,393
Building Fitout	286,716		286,716	
Accumulated amortisation	(23,409)		(23,409)	
	263,308		263,308	
Total plant and equipment	612,659	259,746	612,659	259,746

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment
Balance at 1 July 2009	259,746
Additions	522,546
Depreciation expense	(169,634)
Carrying amount at 30 June 2010	612,659

12 INTANGIBLE ASSETS

Development of datasets and logistics facilities

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
G-NAF (Geo-coded National Address File)	1,458,631	1,456,268	1,458,631	1,456,268
LYNX (data logistics facility)	1,071,948	743,875	1,071,948	743,875
Accumulated impairment losses	-	-	-	-
Net carrying value	2,530,579	2,200,143	2,530,579	2,200,143
Reconciliation				
Balance at 1 July 2009	2,200,143	1,778,931	2,200,143	1,778,931
Additions for G-NAF	2,364	43,474	2,364	43,474
Additions for LYNX	328,072	377,735	328,072	377,735
Closing carrying value at 30 June 2010	2,530,579	2,200,143	2,530,579	2,200,143

The recoverable amount of each intangible 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 5 year government bonds at the beginning of the budget period plus a risk premium of 14%. The following assumptions were used in the value-in-use calculations:

	Growth Rate	Discount Rate
G-NAF	15% for 5 years from 05/06, then 10% for 5 years, then 5% for 10 years.	18.85%
LYNX	10% for 5 years from 05/06, then 5% for 5 years, then 2%	18.85%

The recoverable amount was estimated to be higher than the carrying amount for each intangible above, and no impairment was required.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

13 FINANCIAL ASSETS

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Held to maturity financial assets				
Held to Maturity Financial Assets comprise:	-	500,000	-	500,000
Fixed interest securities	-	500,000	-	500,000
Fair Value through profit or loss financial assets				
Units in associates	20,000	20,000	20,000	20,000
Fair value adjustment	(20,000)	(20,000)	(20,000)	(20,000)
Total fair value through profit or loss financial assets	-	-	-	-
Total financial assets	-	500,000	-	500,000

14 TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Current				
Trade receivables	1,416,645	1,137,605	1,940,509	1,746,979
less provision for impairment of receivables	-	-	-	-
	1,416,645	1,137,605	1,940,509	1,746,979
Other receivables				
Interest receivable	82,855	101,946	82,855	101,946
Prepayments	6,522	28,081	6,420	28,020
	89,377	130,027	89,275	129,966
Total trade and other receivables	1,506,022	1,267,632	2,029,784	1,876,945

Trade receivables are non-interest bearing and are generally on 30 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable has been impaired. In the financial year ended 30 June 2010, there was no impairment of trade receivables and no provision for doubtful debts has been allocated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

15 CASH AND CASH EQUIVALENTS

15.1 CASH AND CASH EQUIVALENTS

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Cash and cash equivalents				
Cash at bank and in hand	1,615,247	959,842	1,108,872	663,732
Short term bank deposits	2,104,876	4,000,000	2,104,876	4,000,000
Cash and cash equivalents in the statement of cash flows	3,720,123	4,959,842	3,213,748	4,663,732

The effective interest rate on short term bank deposits was 4.0%. These deposits have an average maturity of 90 days

15.2 STATEMENT OF CASH FLOWS

Reconciliation of cash flows from operating activities

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Cash flows from operating activities				
Profit attributable to members:	1,021,856	(247,358)	556,324	219,732
Non-cash flows in profit				
Depreciation	169,634	98,291	169,634	98,291
Operating profit before changes in working capital and provisions				
change in trade and other receivables	(149,073)	(1,335,482)	(193,530)	(202,088)
change in other assets	40,650	(8,320)	40,691	(8,259)
change in trade and other payables	(657,099)	1,715,647	(322,341)	(149,988)
change in provisions and employee benefits	19,259	78,866	2,934	62,009
change in income in advance	18,750	(19,586)		(33,747)
Change in transfers to reserves	(1,350,714)	(635,104)	(1,350,714)	(635,104)
Net cash from operating activities	(886,736)	(353,044)	(1,097,022)	(649,154)

The Company has no credit stand-by or financing facilities in place.

There were no non-cash financing or investing activities during the period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

16 CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Retained earnings				
Retained earnings	5,604,307	4,582,451	5,605,865	5,049,541
Reserves				
New Ventures reserve	514,183	1,864,897	514,183	1,864,897
Retained profits at the end of the financial year	6,118,490	6,447,348	6,120,049	6,914,438

The Special Project fund is a reserve created from Retained Earnings specifically to fund the development of the LYNX spatial data logistics infrastructure, and for future research and development projects of the Company. During the 2009/2010 financial year, \$1,350,713 of LYNX development costs was funded from the Special Project fund.

Share Capital

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Fully paid ordinary shares	9	9	9	9
Issue of ordinary shares	-	-	-	-
Fully paid ordinary shares	9	9	9	9

The Company has authorised share capital amounting to 9 ordinary shares of \$1 par value

17 EMPLOYEE BENEFITS

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Wages and salaries	1,921,916	1,563,929	1,577,047	1,325,237
Other associated personnel expenses	643,249	623,223	535,022	547,891
Liability for annual leave	(11,088)	43,171	(23,420)	26,314
Liability for long service leave	19,558	35,695	19,558	35,695
Total employee benefits	2,573,635	2,266,018	2,108,207	1,935,136

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2010

18 PROVISIONS

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Opening balance at 1 July 2009	165,650	86,784	148,793	86,784
Additional provision raised during the year	42,979	78,866	42,979	62,009
Amounts used	(34,508)	-	(46,841)	-
Balance at 30 June 2010	174,121	165,650	144,931	148,793
Analysis of provisions				
Current	84,796	95,883	55,606	79,026
Non-current	89,325	69,767	89,325	69,767
	174,121	165,650	144,931	148,793
Number of employees at year end	18	23	16	21

PROVISION FOR LONG TERM EMPLOYEE BENEFITS

A provision has been recognised for employee benefits relating to long service leave for employees. 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 upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 3.7

19 TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Trade payables				
Trade Payables	279,845	190,114	253,431	165,296
Employee benefits	69,941	59,153	54,784	47,988
	349,787	249,267	308,215	213,284
Sundry payables and accrued expenses				
Accrued Jurisdictional Royalties for 09/10	958,815		958,815	
Accrued Jurisdictional Royalties for 08/09	230,119	1,755,620	230,119	1,755,620
Accrued Jurisdictional Royalties for 07/08	191,665	222,407	191,665	222,407
Accrued Jurisdictional Royalties for 06/07	70,510	153,830	70,510	153,830
Accrued Jurisdictional Royalties for 05/06	6,980	98,666	6,980	98,666
Accrued Jurisdictional Royalties for 04/05	-	36,882	-	36,882
GST Liability	73,635	43,523	193,135	43,362
Income in Advance	32,911	14,161	-	-
	1,564,635	2,325,088	1,651,224	2,310,767
Total payables	1,914,421	2,574,356	1,959,439	2,524,051

20 FINANCIAL INSTRUMENTS

20.1 NET FAIR VALUES

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

21 LEASING COMMITMENTS

Non-cancellable operating leases contracted for, but not capitalised in the financial statements.

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
not later than 1 year	173,880	58,529	173,880	58,529
later than 1 year but no later than 5 years	1,043,280		1,043,280	
later than 5 years				
Total operating lease commitments	1,217,160	58,529	1,217,160	58,529

The property lease is a non-cancellable lease with a 5 year term to 1/02/2015, and an option exists to renew the lease for an additional term after the 5 year period. The board of directors will assess their options and requirements prior to the expiry date. Rent is payable monthly in advance, and contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum. The lease allows for subletting of all leased areas.

22 CONTINGENCIES

Section 4.2 of the 2004 Data Licence Agreements between PSMA Australia Limited and the jurisdictions states that 'The Licence Fee will be a proportion of 20% (Total Percentage) of the Data Set Revenue, which is to be shared between the Jurisdictions'. For the past five years, together with the mandated 20%, the Company has made a discretionary payment to the jurisdictions of an additional 20% of the Data Set Revenue because of the magnitude of the surpluses that have been generated and the relatively modest investment regime during this same period.

As a consequence of strategic considerations during 06/07, the Board decided to make a transition from a product oriented business to one that also delivers services. In excess of \$3.5m has been invested in the development of intellectual property since then, and at the meeting to be held in August 2010, the Board will consider the costs of proposed developments and diversification of the Company's revenue base, and the scope of the investment of funds in the Company's future. Several options available to the Board, include

- A discretionary payment of an additional 20% (\$958,815) of 09/10 Dataset Revenue to the jurisdictions consistent with the actions of the past five years
- A discretionary payment of an additional 10% of Dataset Revenue to the jurisdictions in both 09/10 and 10/11, and a transfer of remaining funds to the Special Projects Equity Reserve to fund the further development of LYNX

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

- No discretionary payment of 09/10 Dataset Revenue to the jurisdictions beyond the mandated 20% for 09/10 and a transfer of the remaining funds to the Special Projects Equity Reserve to fund the further development of LYNX.

Given the range of possibilities open to the Board, it is difficult to anticipate the nature of any liability that may arise or any contingent liability that may exist.

23 RELATED PARTY DISCLOSURE

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

The following directors were paid a fee for service for activities pertaining to PSMA Group (PSMA Australia Limited and PSMA Distribution Pty Limited).

Transactions with other parties

	Consolidated		Company	
	2010	2009	2010	2009
Independent directors fees	\$	\$	\$	\$
Stephen Godfrey	20,000			
Dakel Nominees (Olaf Hedberg)	100,000	100,000	70,000	70,000
Semloh Consulting (Martin Holmes)	40,000	45,000	20,000	25,000
Mary O’Kane & Assoc (Mary O’Kane)	20,000	20,000	20,000	20,000
Total of transactions with related parties	180,000	165,000	110,000	115,000

24 AUDITOR’S REMUNERATION

	Consolidated		Company	
	2010	2009	2010	2009
Remuneration of auditor:	\$	\$	\$	\$
Audit and review of financial reports	61,282	17,000	61,282	17,000
Taxation services	1,400	8,210	1,400	8,210
Total remuneration of auditor	62,682	25,210	62,682	25,210

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2010




**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTOR OF
PSMA AUSTRALIA LIMITED**

I hereby declare, that to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Maxim
Chartered Accountants

Name of Partner: 
Mark R. Peatey

Address: Level 2 59 Wentworth Avenue KINGSTON ACT 2604

Dated this 21st day of September 2010

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2010



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PSMA AUSTRALIA LIMITED ABN 23 089 912 710

Report on the Financial Report

I have audited the accompanying financial report of PSMA Australia Limited as outlined on pages 28 to 69. The financial report comprises the balance sheet as at 30 June 2010, the profit and loss statement, statement in changes in equity and the cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration.

Director's Responsibility for the Financial Report

The director of the company is 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 designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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 director, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the director of PSMA Australia Limited on 21 September 2010, would be in the same terms if provided to the director as at the date of this auditor's report.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PSMA AUSTRALIA LIMITED
ABN 23 089 912 710**

Auditor's Opinion

In our opinion:

- (a) the financial report of PSMA Australia Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2010 and of its 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.
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: Maxim
Chartered Accountants

Name of Principal: 
Mark R. Peatley

Address: Level 2 59 Wentworth Avenue KINGSTON ACT 2604

Dated this 21st day of September 2010

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AUDITOR'S DISCLAIMER

FOR THE YEAR ENDED 30 JUNE 2010



AUDITOR'S DISCLAIMER OF OPINION

TO THE MEMBERS OF PSMA AUSTRALIA LIMITED

The additional financial data presented on pages 74 to 77 is in accordance with the books and records of PSMA Australia Limited which have been subjected to the auditing procedures applied in our audit of the Company for the year ended 30 June 2010.

It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than PSMA Australia Limited) in respect of such data, including any errors or omissions therein however caused.

Name of Firm: Maxim
Chartered Accountants

Name of Partner: 
Mark R. Peatey

Address: Level 2 59 Wentworth Avenue KINGSTON ACT 2604

Dated this 21st day of September 2010

DETAILED INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

DETAILED INCOME AND EXPENDITURE STATEMENT

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
REVENUE				
Interest revenue	189,097	338,215	186,941	336,604
Rent revenue and reimbursable utilities	53,862	62,777	53,862	62,777
VAR access fees	1,025,496	1,001,612		33,747
VAR royalties	4,794,073	4,496,982		-
Consulting	463,186	2,500	460,686	
Miscellaneous income	41,704	1,568	41,704	1,568
TOTAL REVENUE	6,567,417	5,903,654	743,192	434,696
EXPENDITURE				
Human resource management				
Wages and salaries	1,921,916	1,563,929	1,577,047	1,325,237
Employer superannuation	327,615	293,523	296,576	272,042
Human resources -other	240,500	337,517	153,799	267,409
Staff training and professional development	83,604	71,049	80,785	70,449
	2,573,635	2,266,018	2,108,207	1,935,136
Professional services				
Legal	226,193	150,422	178,918	81,960
Accounting and audit	62,682	25,210	62,682	25,210
Consultants	24,370	173,111	24,369	173,111
	313,245	348,743	265,970	280,281
Equipment				
Equipment purchases	5,381	6,718	5,381	4,345
Hardware and software purchases	41,602	46,201	40,551	41,506
Furniture and fittings purchases	7,482		7,482	
Depreciation	169,634	98,291	169,634	98,291
Equipment repair / maintenance/ hire	3,893	19,548	3,626	19,192
	227,991	170,758	226,674	163,334

DETAILED INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Travel				
Travel (domestic)	191,303	220,512	172,248	189,680
Travel (international)	37,239	34,571	37,239	34,571
Meals and accommodation	116,079	137,016	107,990	126,252
Car hire / taxi / parking / other	45,640	48,536	32,999	35,924
	390,261	440,635	350,476	386,427
Telecommunications				
Telephones	17,689	15,905	16,130	15,700
Mobile phones	18,014	8,402	11,042	6,697
Fax/teleconferencing/internet/web host	23,402	26,918	13,280	17,054
	59,105	51,226	40,452	39,452
Overheads				
Rent (including sub leased areas)	190,040	176,501	173,373	159,829
Cleaning/waste removal (incl sub leased areas)	20,193	15,941	20,193	15,941
Security and maintenance	3,672	16,017	3,672	16,017
Electricity (including sub leased areas)	16,295	25,845	14,213	20,985
Office refit / new premises	16,629	15,493	16,629	15,493
	246,830	249,797	228,080	228,265
Administration costs				
Postage / freight / handling	4,129	4,213	3,291	4,066
Stationery / office supplies	17,829	27,571	16,401	25,545
Motor vehicle expenses	22,708	36,916	22,708	36,950
	44,666	68,734	42,400	66,561
Insurance				
Commercial, Directors and Officers, Information Technology, Personal Accident and Volunteers, Motor Vehicle insurance	22,950	13,625	22,950	13,625
	22,950	13,625	22,950	13,625

DETAILED INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated		Company	
	2010 \$	2009 \$	2010 \$	2009 \$
Other expenses				
Fringe Benefits Tax	25,328	16,433	23,454	15,841
Payroll Tax	67,549	44,574	50,564	33,912
Bad debt		1,247		1,247
Bank charges / stamp duty	2,521	2,806	1,898	1,817
Other expenses		2,412		2,046
	95,398	67,472	75,916	54,863
Research and development				
Research and Development	3,500	22,727	3,500	22,727
CRC.SI 43PL	10,000	20,000	10,000	20,000
	13,500	42,727	13,500	42,727
Supply chain management				
Dataset management	6,457	800	6,457	800
G-NAF maintenance	207,295	223,843	207,295	223,843
CadLite maintenance	91,783	110,000	91,783	110,000
Transport and Topography maintenance	91,430	100,123	91,430	100,123
Administrative Boundaries maintenance	16,483	35,454	16,483	35,454
POI improvement	18,400		18,400	
Land Tenure maintenance		4,600		4,600
	431,849	474,820	431,849	474,820
Jurisdictional royalty returns				
Royalty returns – G-NAF	367,171	576,639	367,171	576,639
Royalty returns – CadLite	97,013	168,616	97,013	168,616
Royalty returns – Transport and Topography	492,436	1,002,907	492,436	1,002,907
Royalty returns – Administrative Boundaries	1,364	2,871	1,364	2,871
Royalty returns – other datasets	831	4,587	831	4,587
	958,815	1,755,620	958,815	1,755,620

DETAILED INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Marketing				
Graphic design and printing	36,517	60,887	36,353	52,588
Promotion and sponsorship	57,157	114,226	56,021	113,624
Web site maintenance	3,683	16,330	3,683	16,330
Other	10,440	8,043	10,140	7,861
	107,798	199,486	106,197	190,403
Relationship management				
VAR audit fees	59,520	1,350	59,520	1,350
	59,520	1,350	59,520	1,350
TOTAL EXPENDITURE	5,545,562	6,151,011	4,931,005	5,632,830
OPERATING PROFIT/LOSS	1,021,856	(247,358)	(4,187,814)	(5,198,134)
INTER-COMPANY TRANSFERS	-	-	4,744,137	5,417,867
NET PROFIT/LOSS	1,021,856	(247,358)	556,323	219,732



PSMA

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