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APPENDIX 4E

CSG LIMITED AND CONTROLLED ENTITIES
ABN: 64 123 989 631

FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2015

PROVIDED TO THE ASX UNDER LISTING RULE 4.3A

Rule 4.3A

Appendix 4E

Preliminary Final Report

Name of entity:	CSG Limited and its controlled entities
ABN or equivalent company reference:	64 123 989 631 (ASX: CSV)

1. Reporting period

Report for the financial year ended:	30 June 2015
Previous corresponding period is the financial year ended:	30 June 2014

2. Results for announcement to the market

			$'000
Revenues from ordinary activities *(item 2.1)*	Up 13%	to	$224,290
Profit (loss) from ordinary activities after tax attributable to members (*item 2.2*)	Up 22%	to	$13,572
Net profit (loss) for the period attributable to members (*item 2.3*)	Up 22%	to	$13,572

Dividends *(item 2.4)*	**Amount per security**	**Franked amount per security**
Interim dividend	4 cents	Zero
Final dividend	5 cents	Zero
Record date for determining entitlements to the dividend *(item 2.5)*	24 August 2015	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*:

Refer to attached statement.

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

Refer to the attached statement.

4. Statement of Financial Position *(item 4)*

Refer to the attached statement.

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

Refer to the attached statement.

6. Dividends *(item 7)*

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2015	11 March 2015	11,365,954
Final dividend – year ended 30 June 2015	8 September 2015	14,237,745

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend:	Current year	9 cents	Zero	Zero
	Previous year	9 cents	Zero	Zero

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities *(each class separately)*	25,604	25,331
Preference securities *(each class separately)*		
Other equity instruments *(each class separately)*		
Total	25,604	**25,331**

7. Details of dividend or distribution reinvestment plans in operation are described below *(item 8)*:

N/A

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

8. Statement of retained earnings *(item 6)*

	Consolidated Entity 2015 $'000	2014 $'000
Balance at the beginning of year	82,527	71,402
Net profit attributable to members	13,572	11,125
Share based payments	-	-
Total available for appropriation	96,099	82,527
Dividends paid	(25,331)	-
Balance at end of year	70,768	82,527

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

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$0.21	$0.26

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

Control gained over entities

Name of entities *(item 10.1)*	N/A
Date(s) of gain of control *(item 10.2)*	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired *(item 10.3)*	$
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 10.3)*	$

Loss of control of entities

Name of entities *(item 10.1)*	N/A
Date(s) of loss of control *(item 10.2)*	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost *(item 10.3).*	
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 10.3)*	

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

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

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

Group's share of associates' and joint venture entities':	2015 $	2014 $
Profit (loss) from ordinary activities before tax	N/A	N/A
Income tax on ordinary activities		
Net profit (loss) from ordinary activities after tax	N/A	N/A
Adjustments		
Share of net profit (loss) of associates and joint venture entities	N/A	N/A

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

Please refer to accompanying commentary.

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

14. Commentary on the results for the period *(item 14)*

Please refer to accompanying commentary.

Returns to shareholders during the period included:

- Final dividend of $13.9m paid in September 2014 (5 cents)
- Interim dividend of $11.4m paid in March 2015 (4 cents)

15. Audit of the financial report *(item 15)*

Select one of the following:

✓ The financial report has been audited

☐ The financial report has not yet been audited.

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

16. The audit has not yet been completed

Select one of the following:

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

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

N/A

17. The audit has been completed.

Select one of the following:

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

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

N/A

CSG Limited Financial Report 2015

ACN: 123 989 631

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Contents

Directors' Report

The Directors present their report together with the financial report of the consolidated entity consisting of CSG Limited ("CSG" or "the Company") and its subsidiaries ("CSG Group"), for the financial year ended 30 June 2015 and Auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

1. Directors

The qualifications, experience and special responsibilities of each person who has been a Director of the Company at any time during or since the end of the financial year is provided below, together with details of the Company Secretary as at the year end.

Name, Qualifications, Position	Experience	Appointment Date
Mr. Thomas Cowan B.Com (Hons) Non-Executive Chairman Member, Audit Committee Member, Nomination and Remuneration Committee	Tom Cowan is a partner of TDM Asset Management, a Sydney based private investment firm. TDM Asset Management invests in public and private companies globally. Mr. Cowan has over 15 years of financial markets experience, including roles in corporate finance and investment banking at Investec Wentworth and KPMG Australia. He has a Bachelor of Commerce (Honours – Class 1) from the University of Sydney. Mr. Cowan is currently a Non-Executive Director of Baby Bunting Group Limited.	Appointed 8 February 2012 Appointed Chairman 15 August 2012
Ms. Julie-Ann Kerin AICD Managing Director	Since Julie-Ann Kerin was appointed as Chief Executive Officer and Managing Director of CSG in 2012, she has established a proven track record of delivering strong growth and significant return to shareholders. Under Ms. Kerin's leadership, CSG successfully completed the transaction of the sale of the former Technology Solutions Division to NEC Australia in 2012, for $227.5 million and subsequently returned $130 million to shareholders over the following three years. Prior to Ms. Kerin's appointment as CEO, she was the Group-General Manager of the former Technology Solutions division for five years, and achieved revenue growth from $9m to $183m. She has more than 20 years' experience as a senior executive managing both private and public companies across the information technology sector. Prior to joining CSG, Ms. Kerin was responsible for the global management of operations and staff across Asia, the United States, Australia and Europe for a number of organisations. She has also held roles with IT companies Actuate, Haht Commerce, Genasys Inc and Computer Power. Ms. Kerin is a member of the Australian Institute of Company Directors.	Appointed 1 February 2012

Mr. Ian Kew B.Econ, FAICD Non-Executive Director Chairman, Audit Committee Member, Nomination and Remuneration Committee	Ian Kew is the Chief Executive Officer for Airport Development Group Pty Ltd which has interests in Darwin International, Alice Springs and Tennant Creek Airports. He graduated with an Economics Degree from Monash University and joined Exxon for two years before being employed with Shell Australia for twenty years prior to joining Northern Territory Airports in 2001. At Shell Australia, Mr. Kew worked in a variety of oil marketing, operations, change management, strategy and special project positions in Hobart, Sydney, Brisbane, Darwin and Melbourne. Previously, he was on the Board of the Automobile Association of the Northern Territory (AANT), was Chair of the Darwin Symphony Orchestra and the Charles Darwin University Foundation. He is also a Director of the Australian Airports Association (AAA) and on the Board of the Museum and Art Galley of the Northern Territory (MAGNT). Mr. Kew is a National Councilor of Creative Partnerships Australia and a Fellow of the Australian Institute of Company Directors.	Appointed 1 March 2007 Ceased 20 November 2014
Mr. Philip Bullock BA, Dip Ed, MBA, GAICD Non-Executive Director Chairman, Nomination and Remuneration Committee Member, Audit Committee	Appointed a Director of CSG in August 2009, Mr. Bullock was formerly Vice President, Systems and Technology Group, IBM Asia Pacific, Shanghai, China. Prior to that position he was Managing Director of IBM Australia and New Zealand. His IBM career spanned almost 30 years in the Asia Pacific region. Mr. Bullock is a Non-Executive Director of Perpetual Limited and Hills Limited, and was previously a Non-Executive Director of Healthscope Limited. Over the years he has served on a number of Federal Government bodies, most notably as the Chair of Skills Australia.	Appointed 1 August 2009
Ms. Robin Low B.Com, FCA, GAICD Non-Executive Director Chairman, Audit Committee	Robin Low was formerly a partner at PricewaterhouseCoopers for over 17 years and has extensive experience in assurance and risk management, particularly in the financial services area. She is currently a Non-Executive Director of Austbrokers Holdings Limited, IPH Limited and Appen Limited. Ms. Low is also a member of the Audit and Assurance Standards Board and on the board of a number of not-for-profit organisations including Sydney Medical School Foundation, Public Education Foundation and Primary Ethics. Ms. Low has a Bachelor of Commerce from The University of New South Wales, is a Fellow of the Institute of Chartered Accountants in Australia and is a Graduate Member of the Australian Institute of Company Directors.	Appointed 20 August 2014

Mr. Mark Phillips B. Com (Hons), M. Com, FAICD Non-Executive Director Member, Audit Committee	Mark Phillips has substantial experience in banking and asset leasing. Mr. Phillips worked at the Commonwealth Bank of Australia for 20 years in various roles involving asset finance, securities and trading markets, property lending and government finance. Mr. Phillips was formerly Managing Director of Record Investments Limited (Record) and Keybridge Capital Ltd. While Managing Director at Record, the market capitalisation grew from approximately $100 million to over $1.5 billion. Mr. Phillips is currently a Non-Executive Director of General Reinsurance Australia Limited and General Reinsurance Life Australia Limited (a Berkshire Hathaway company) and a Non-Executive Director of Cancer Council (NSW). Mr. Phillips was formerly a Non-Executive Director of Interlink Roads Ltd and ASB Bank Limited in New Zealand. Mr. Phillips has a Bachelor of Commerce and a Masters of Commerce from the University of New South Wales and is a Fellow of the Australian Institute of Company Directors.	Appointed 20 August 2014
Mr. Stephen Anstice BA (Economics), Grad. Dip. (SAI) Non-Executive Director Member, Nomination and Remuneration Committee	Stephen Anstice has over 20 years' experience in the communications industry. Until June 2013, Mr. Anstice was CEO of IPMG Pty Ltd ("IPMG"), a print, digital and marketing communications business Mr. Anstice also has an extensive background in investment banking. He is currently a Non-Executive Director of IPMG, Audant Investments Limited and The Song Company Limited. Mr. Anstice has a Bachelor of Arts (Economics) from Macquarie University and a Graduate Diploma from the Securities Institute of Australia.	Appointed 20 August 2014

2. Company Secretary

Christopher Lobb
B. Bus, FGIA, MAICD, CPA
Company Secretary
Appointed 19 December 2014

Chris Lobb has an extensive background in company secretariat, corporate governance and corporate restructuring for both private and ASX listed public groups. Mr. Lobb joined CSG in December 2014, having previously held company secretarial positions in the agriculture and property sectors. He has also held non-executive directorships in the not for profit and TAFE sectors.

Mr. Lobb is a Fellow of the Governance Institute of Australia, a Member of the Australian Institute of Company Directors and a CPA. He holds a Bachelor of Business (Accounting) from Swinburne University of Technology.

3. Directors' Meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director Name	Board Meeting		Audit &Risk Management Committee		Nomination & Remuneration Committee	
	Meetings Held (i)	Meetings Attended	Meetings Held (i)	Meetings Attended	Meetings Held (i)	Meetings Attended
Current						
Mr. Thomas Cowan	13	13	6	6	4	4
Mr. Philip Bullock	13	12	6	6	4	4
Mr. Mark Phillips	11	11	4	4	-	-
Mr. Stephen Anstice	11	11	-	-	3	3
Ms. Robin Low	11	10	4	4	-	-
Ms. Julie-Ann Kerin	13	13	6	6(ii)	4	4(ii)
Former						
Mr. Ian Kew	6	5	3	3	1	1

(i) Number of meetings held during the time the Director held office or was a member of the relevant committee during the financial year.

(ii) Ms. Julie-Ann Kerin attended by invitation.

In addition to the above meetings, the Directors' held three (3) meetings by circular resolution.

In addition to the above meetings, a committee of the Board comprising of Mr. Thomas Cowan, Ms. Robin Low and Ms. Julie-Ann Kerin met on one (1) occasion for the purposes of approving the Half Year Financial Statements.

4. Principal Activities

The principal activities of the CSG Group during the financial year were print and business technology solutions in Australia and New Zealand supported by in-house equipment financing.

There have been no significant changes in the nature of the activities of the CSG Group during the financial year.

5. Operating and Financial Review

1. Operations overview

CSG is a leading technology as a service provider in Australia and New Zealand, supported by an in house equipment financing business.

CSG is the largest non-manufacturer of print and business technology solutions in the Australia and New Zealand marketplace, and has a national sales and service footprint in both countries. CSG services more than 20,000 customers ranging from small-to-medium enterprises, through to large corporate, government and commercial clients. CSG has developed a unique product suite to deliver a single source technology solution to all its customers - regardless of size.

In the Australian market, CSG works closely with a number of major business partners, including Canon, Samsung, Lexmark, HP, 8x8.com and FaceMe, to deliver a brand agnostic end-to-end product and service offering which is unique in the Australian marketplace. In the New Zealand market, CSG operates under the Konica Minolta brand and is one of the largest suppliers of print and technology sales and services to the corporate, government and commercial markets.

A key differentiator for CSG in the region is the breadth and quality of service it provides its customers. Premium service combined with efficient financing and high quality technical advice is paramount to the CSG value proposition. As the only listed company of size and scale that can provide sales, service and support access in Australia and New Zealand, CSG truly differentiates itself from the manufacturers, office supply and technology retailers, integrators, equipment finance providers and independent dealers with whom it competes.

CSG currently employs approximately 650 staff across Australia and New Zealand with offices in 30 locations. CSG has a commitment to diversity and recognizing and rewarding its staff. CSG strives to achieve above industry standard benchmarks for workforce productivity whilst delivering the highest level of staff satisfaction.

2. Review of Group Operations

CSG expanded its product and service offering in FY2015 to better meet the needs of its customers. Increasing reliance on technology has resulted in SME's and larger organisations alike to look for technology providers capable of delivering a single point of contact for their entire office technology requirement. CSG's full-spectrum product offering delivers this, and gives a clear value proposition to its broad customer base. CSG creates genuine value for its customers by providing a one stop total business solutions offering, saving the customer their most valued assets: time and money.

Key operational achievements for CSG in FY2015 included:

- Launched the first of our Technology as a Service offerings – Boardroom as a Service
- Established relationships with key partners, such as 8x8 in preparation for the launch of other "as a Service" offerings
- Executed an agreement with HP to launch the CSG Cloud Marketplace to support the delivery of our Technology as a Service offering
- Three major contract signings in Enterprise Solutions for Print as a Service
- Non print sales represented more than 8.5% of equipment sales revenue in Australia
- Achieved in the field Net Promoter Score[2] (NPS) score of 58
- Creation of CSG "Customer Hub" built on the Salesforce.com platform to deliver one common IT platform across the business and one common set of processes
- Recruited key personnel to ensure successful delivery of Technology as a Service platform

3. Review of Group Financial Performance[1]

The Board was pleased that the business again achieved solid growth in underlying EBITDA during the 2015 financial year. During the year, CSG delivered on a number of key initiatives that have now positioned CSG for continued top line growth, as well as improved profitability over the medium term.

CSG achieved revenue growth of 13% and Reported EBITDA growth of 20% in FY2015. The CSG Group saw growth across all three divisions, both in Australia and in New Zealand.

Key highlights from the results include:

- Total revenue increased by 13% to $224.3m;
- Underlying EBITDA increased by 15% to $33.5m;
- Reported NPAT increased by 19% to $14.3m;
- Underlying NPAT before customer contract amortisation increased by 12% to $21.3m; and
- Solid conversion of underlying EBITDA to operating cash flow excluding the investment in lease receivables and non-recurring items.

1 Figures contained in the "Review of Group Financial Performance" are unaudited.

2 Net promoter score is a method of measuring customers' loyalty. To calculate NPS, customers are categorised as "Promoters", "Passives" or "Detractors" based on how likely they would be to recommend CSG to a friend or colleague. The percentage of Detractors is then subtracted from the percentage of Promoters.

Operating Performance

The Board measures the performance of the business using Underlying EBITDA after taking into account all non–recurring or one off items. This is an unaudited measure which is reconciled to the audited Net Profit After Tax ("NPAT") in the table below:

	FY15 $m
Revenue from continuing operations	224.3
NPAT	14.3
Add Tax	8.3
Add Depreciation and Amortisation	4.5
Add Interest expense/(income)	1.4
EBITDA	28.5
Add Non-recurring items	
1. LTIP/Employee Share Plan	4.0
2. Deferred consideration & legal	0.3
3. Stamp Duty on Acquisition	0.3
4. Transaction advisory costs	0.4
Total	5.0
Underlying EBITDA	33.5

a. Revenue

Group revenue grew by 13% to $224.3m during FY2015. This was driven by:

- Revenue from sale of goods increasing 24% to $103.6m;
- Finance Solutions revenue growth of 24% driven by growth of Lease Receivables to $210.0m; and
- Solid new customer sales growth in Australia and New Zealand. New customers were 14% of equipment in Australia compared to 16% in 2014. In New Zealand there was 31% growth in new customer sales during the year.

b. Expenses

Management has sustained tight controls over expenditures to deliver a slight increase in Underlying EBITDA margin from 14.6% to 14.9%. Key drivers of this improvement were:

- Total expenses grew by 11% year on year compared to a 13% increase in revenue;
- Cost of goods sold expenses increased by 8% year on year whilst revenues from sales of goods and services increased by 11%;
- Non-COGS related costs (excluding share based payments) increased by 11% year on year compared to 13% growth in group revenue; and
- Borrowing costs on the Finance Solutions continues to benefit from the low interest rate environment in delivering 50% gross margin.

4. Review of Group Financial Position

A closing cash balance of $24.8m, after dividend distributions of $25.3m made during the year. Included in closing cash balance is an amount of $13.9m held in restricted cash accounts under the terms of the CSG Finance Solutions debt facilities (refer note 6).

Cash conversion has improved in FY2015 after excluding the impact of investment in the Lease Receivables and non-recurring items.

	1H14	2H14	FY14	1H15	2H15	FY15
EBITDA (underlying)	**13.4**	**15.7**	**29.1**	**15.4**	**18.1**	**33.5**
Operating cash flow (reported)	**(21.1)**	**(11.8)**	**(32.9)**	**(19.1)**	**(0.2)**	**(19.3)**
+ tax paid	3.7	2.8	6.5	3.0	1.8	4.8
+ net interest paid	0.3	0.6	0.9	0.6	0.9	1.5
+ non-recurring cash items	1.3	1.3	2.6	0.2	1.0	1.2
+ change in lease receivables	23.2	22.8	46.0	27.1	14.7	41.8
Ungeared pre-tax cash flow	7.4	15.7	23.1	11.8	18.2	30.0
Profit to cash conversion	55%	100%	79%	77%	102%	90%

Lease receivables in the Finance Solutions business has grown to $210.0m ($161.5m in FY2014) with 89% funded by associated debt (86% in FY2014). The majority of this growth has been due to the continued expansion of the Australian operations.

Debt associated with lease receivables has improved the advance rate from 86% to 89% due to a revision to the banking facilities.

Total capital returned to Shareholders including the current final dividend is now $134m in the three years since the commencement of the Restructuring Plan in July 2012.

5. Divisional Review

a. Business Solutions

CSG Business Solutions provides the sales, support, service and financing of print and business technology equipment to more than 20,000 SME customers across Australia and New Zealand. CSG's scale, national presence and significant brand partnerships gives it the flexibility to service businesses of any size, and in any location across Australia and New Zealand.

SME's have traditionally relied on up to 15 separate suppliers for a variety of business and print equipment requirements, each with separate billing, leasing and service relationships.

In FY2015, CSG made significant progress in positioning itself as a single provider for all SME business technology needs. CSG Business Solutions can now deliver significant time savings and improved cash flow management to customers through the provision of centralised ordering for all business technology through a single billing system and finance relationship. This offering is currently unique to the market in Australia and New Zealand. The CSG "Technology as a Service" product suite is currently comprised of the following offerings:

- "Print as a Service"
- "Board room as a service"
- "Communication as a Service"
- "Desktop as a Service"

CSG customers will be able to subscribe to technology services and manage their IT on a single platform through the CSG customer market place. This marketplace will provide self service access for customers to browse, request and approve new CSG services (conferencing, communications, business applications, data management) and technology equipment (desktop, laptop, tablets, boardroom display).

The CSG customer market place will provide a number of significant benefits to CSG Business Solutions customers:

- replace multiple vendors with one invoice;
- predictable monthly subscription payments;
- no large capital outlay – equipment fully financed by CSG;

- proven best of breed technology;
- easily scalable in line with customers' needs; and
- single point of technical support (Level 1 / 2).

It is anticipated that earnings growth will be driven in FY2016 by a number of key initiatives, including:

- Focused effort on the sale of the expanded product and service offerings to existing customers hence a greater share of the customer IT spend will be directed to CSG;
- Growth in print market share by using the other technology products to penetrate print vendors customer base;
- Increase sales leads by improving online presence and repositioning CSG Business Solutions as a full service IT organization;
- Further evolution of the new internal use IT platform to support improved customer service, increased productivity in service and operations and focused targeting for potential and existing customers; and
- Leveraging the relationship and high quality profile and reputation of world class business partners like HP, 8x8, Samsung, Canon and Konica Minolta.

b. Enterprise Solutions

CSG Enterprise Solutions provides managed service based print and technology solutions for enterprise, education and government customers in Australia and New Zealand. In Australia, CSG is the only national, brand agnostic provider of print solutions in the market, and in New Zealand the Group operates a well-established and market leading business under the Konica Minolta brand. Following the sale of the Technology Solutions business to NEC in July 2012 the Enterprise Solutions business has been restrained from competing in the IT managed Services sector. That restraint ended on 3 July 2015 and the Enterprise Solutions business is now preparing to reenter the IT managed services sector focusing on Tier 2 Enterprise, government and education.

The same product suite that will be the platform for the delivery of "Technology as a Service" in the Business Solutions business will scale to deliver a robust and scalable platform to deliver enterprise IT managed services. The focus of FY16 in the Enterprise Solutions business will be to continue to grow the Managed Print Services business whilst also growing the pipeline for next generation IT managed services.

During FY2015, Management successfully leveraged a number of competitive advantages to grow the division in Australia and New Zealand. These include:

- Being the only print and business technology provider with a national service and sales team in Australia and New Zealand;
- Providing a level of assurance to government customers by being ASX listed and therefore compliant to ASX reporting and regulatory standards;
- Leveraging the expertise of an internal financing capability to develop innovative and flexible solutions for Enterprise customers;
- Possessing the ability to sell, install, service and repair all major multi-function device brands in Australia, and leverage Konica Minolta's strong support and presence in the New Zealand market; and
- Having the scale to be able to service customers of all sizes.

Enterprise Solutions made good progress in FY2015 signing managed print contracts with University of Sydney, Victoria University and a mid-sized enterprise business. The total contract value of these deals exceeded $40m over 5 years. CSG was also chosen for the Queensland whole of government 'Print and Imaging as a service' panel.

Growth opportunities exist in both markets, with a strong pipeline in place to expand market share in Australia, and build on the existing large enterprise business currently in place in New Zealand. The customer acquisition strategy for Enterprise Solution includes:

- Partnering with Tier One integrators to provide services in consortiums for major Enterprise or government customers;
- Expand existing customer relationships to provide IT managed services particularly focusing in the tertiary education and Tier 2 Enterprise sector; and
- Leveraging growth from government panels.

c. Finance Solutions

CSG Finance Solutions is a specialist service provider of lease and rental products for print and business technology assets sold and serviced by CSG in both Australia and New Zealand.

In New Zealand, CSG's finance business is an established, well managed business with strong performance, driven by bad debts of less than 0.5% and a strong return on equity of 47% for the last half.

The Australian finance business, launched in March 2013, has seen a rapid sales uptake. The book is driven by 95% conversion of customers, which includes government, corporate and commercial businesses across Australia. Overall, Leasing Receivables grew 30% to $210m in FY2015, with revenue up 24% to $23.6m.

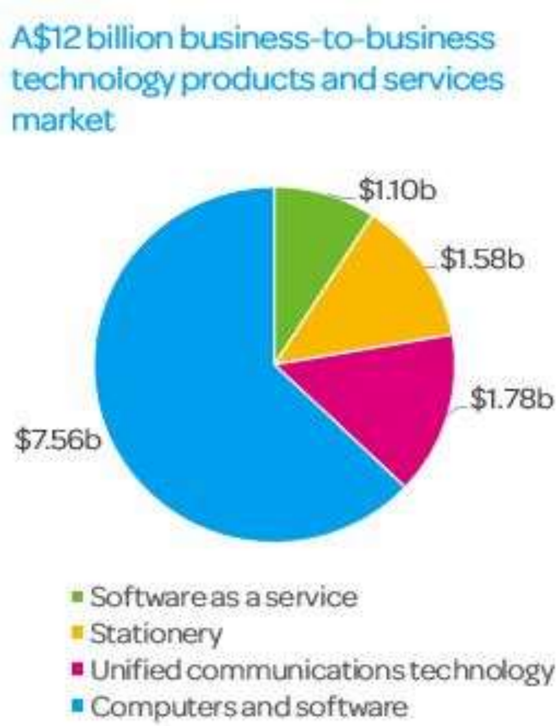
CSG Finance is a critical element in enabling the Business Solutions business to be able to deliver bundled "Technology as a Service" offerings and also to be able to finance the equipment component of large annuity enterprise contracts. Growth targets for this division include:

- Continuing the support the current print business in both the existing customer and the targeting of new customers.
- Increasing penetration into Enterprise Solutions customer base; and
- Supporting the growth of the "Technology as a Service" product suite.

6. Market sizing

The current market size for sales and service of multifunction devices in Australia and New Zealand is estimated at $2.5 billion[1]. CSG currently captures 8% of that market in Australia and New Zealand. The business-to-business technology products and service market is much larger at $12 billion.

Management believe that, given the size of these markets, CSG is well positioned to capitalise on its growth strategies to establish itself as the market leading, end-to-end business technology provider.



1 Sources: IBISWorld Industry Report Computer and Software Retailing in Australia; Constellation Research Unified Communication Trends; Forrester Software-as-a-service in ANZ; IBISWorld Industry Report Stationary Goods Retailing; IDC

7. Risk Management

Corporate Governance

The Board of CSG Limited believes that a strong corporate governance framework helps to underpin a strong company. CSG's corporate governance policies and practices are set out in the Corporate Governance Statement. The Corporate Governance Statement can be found in the 2014 Annual Report and a new Corporate Governance Statement, which sets out the extent to which GSG's policies and practices comply with the requirements of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations for FY15, will be available when the 2015 Annual Report is published.

CSG has identified the following at risk areas and mitigating procedures:

Principal Risk Area		Risk Management Approach
Innovation	Inability to optimise full value of innovation opportunities in services, products, processes and commercial solutions to support growth opportunities.	CSG has a proactive growth strategy that combines leadership, partnerships and continual review.
Foreign Exchange	Revenue from non-Australian operations is denominated primarily in New Zealand Dollars (NZD) and equipment purchases for New Zealand operations are primarily in US Dollars (USD). Fluctuations in foreign currency exchange rates may result in corresponding movements in revenues and earnings.	Currency risk is hedged in accordance with treasury risk policy. The treasury risk policy aims to manage the impact of short-term fluctuations in CSG's earnings. Derivative financial instruments (forward exchange contracts) and options are used to hedge exposure to fluctuations in foreign exchange rates. Over the longer term, permanent changes in market rates will have an impact on earnings.
Interest Rate	The CSG Group has both corporate and operational debt facilities. Movements in interest rates could have an adverse impact on cash flows and operating results.	To minimise interest rate risk between the fixed rate assets and variable rate liabilities, management uses interest rate swaps to broadly match fixed rate assets to floating rate liabilities.
Availability of Debt	CSG's finance divisions in Australia and New Zealand provide rental and lease products. These businesses are sensitive to credit cost and availability as well as market liquidity. Should there be any disruptions in the credit markets or changes in the procurement of credit there could be a reduction in the availability of credit or an increase in the cost of sources of funding.	Credit indicators and market conditions are monitored on a regular basis by management. CSG has also recently completed the refinancing of the majority of facilities to diversify sources of financing to mitigate this risk. External expert advice is also sort to keep abreast of market developments.
Key Suppliers	CSG's key suppliers are Canon Australia and Konica Minolta Inc. who supply the majority of inventory. It is critical to maintain relationships.	These are long standing relationships managed by CSG's executive team and the Board through long term contracts under commercial terms.
Key Personnel	CSG's continued success is highly dependent upon the efforts of the executive team and other key employees including sales professionals. The retention of these skilled personnel is critical.	CSG has introduced a Long Term Incentive Plan for executive personnel and other key management, including the key sales team, and a share based plan for all other employees across Australia and New Zealand.
Competition	The Company's business is susceptible to competition in the markets in which the Company operates. Additionally, competitive pricing strategies and demands from high value clients seeking preferred supplier agreements, may impact on the Company's profit margins and profit share.	The risk is mitigated by a large diversified client base with multi-year agreements in place reducing the impact of pricing strategies and demands from any one customer.

6. Remuneration Report

Dear Shareholder,

On behalf of your Board, I am pleased to present CSG's 2015 Remuneration Report which sets out remuneration information for the Chief Executive Officer ("CEO"), the Group Executive, Non-Executive Directors and the broader employee group.

The Board recognises that the performance of CSG depends on the quality and motivation of its people, including both the Group Executives and the approximate 650 employees across Australia and New Zealand. CSG's remuneration strategy seeks to appropriately reward, incentivise and retain key employees.

At the November 2012 Annual General Meeting, the shareholders approved a three stage multi-year Long Term Incentive Plan ("LTIP") for our key executives with hurdles based upon growth in the share price, with vesting to occur on the second, third and fourth anniversary of the offer date. Given the continued strong performance of the Company, we were pleased to advise that these executives exceeded the hurdles for Stage 1 (which vested on 30/11/14) and are well on the way to exceeding the hurdles for Stages 2 and 3 which vest on 30/11/15 and 30/11/16 respectively. Since the inception of this Executive LTIP, shareholders have seen strong Total Shareholder Returns as outlined in Section 10.1.

At the same time, the Board introduced a Staff Incentive Share Plan for all employees, which offered eligible employees in Australia and New Zealand, AUD $1,000 worth of CSG shares on a tax free basis. These shares have been subsequently issued annually (subject to the satisfactory performance of the Company and Board approval). To date, we have issued approximately 875,000 shares to our employees and have approved a further issue in FY2016 in accordance with the Staff Incentive Share Plan rules. We are pleased to report that over 90% of CSG eligible employees participate in this plan.

At this time, we are designing the next multi-year LTIP for our key executives and it is our intention to bring this to the 2015 Annual General Meeting later in the year for shareholder approval.

The Board also notes that FY2015 has been another strong year for CSG, both in terms of revenue and profit growth. As a result, we are pleased to confirm that our executives achieved a high percentage of their Short Term Incentive payments as outlined in the Report in recognition of their latest achievements.

Thank you for taking the time to review the 2015 Remuneration Report. The Board is confident that CSG's remuneration practices are well designed to help best drive outstanding employee and executive performance. It is this performance that is required to execute our business strategy and create sustainable shareholder value.

Yours sincerely

Philip Bullock

Philip Bullock
Chairman, Nomination and Remuneration Committee

This report covers the Key Management Personnel ("KMP") of CSG. KMP are employees with authority and responsibility for planning, directing and controlling the activities of large business units that can materially affect the performance of the CSG Group. As such the KMP for the year ending 30 June 2015 are:

- all persons who have held the position of Director of CSG Limited during the financial year;
- Julie-Ann Kerin, CEO/Managing Director;
- Neil Lynch, Chief Financial Officer ("CFO");
- Duncan Powell, Chief Operating Officer (departed 3 July 2014);
- Declan Ramsay, Executive General Manager, Business Solutions Australia;
- Warick Beban, Executive General Manager, Business Solutions New Zealand;
- Stephen Birrell, Executive General Manager, Enterprise Solutions; and

7. Remuneration Governance

The policy for determining the nature and amount of remuneration of Directors and Group Executives is agreed by the Board. The Board has established a Nomination and Remuneration Committee ("N&R Committee"), which is responsible for the following:

- reviewing and recommending to the Board the appropriate remuneration of the CEO, members of the Group Executive and Non-Executive Directors;
- ensuring that remuneration levels take into account risks involved, demands and time requirements of each role and relevant industry and related benchmarks;
- developing and recommending to the Board remuneration incentive programs such as bonus schemes and group share schemes;
- developing, maintaining and monitoring appropriate remuneration policies and procedures;
- ensuring that the structure of Non-Executive and Executive Directors' remuneration is clearly distinguished;
- ensuring that equity based Group Executive remuneration is paid in accordance with thresholds set out in plans as disclosed or approved by shareholders; and
- reviewing and approving appropriate disclosures to be included in the Company's annual report regarding the N&R Committee, its activities and performance.

The Board obtains professional advice where necessary to ensure that the Company attracts and retains talented and motivated employees and Non-Executive Directors who can enhance company performance through their contributions and leadership.

8. Remuneration Objectives, Policy and Practice

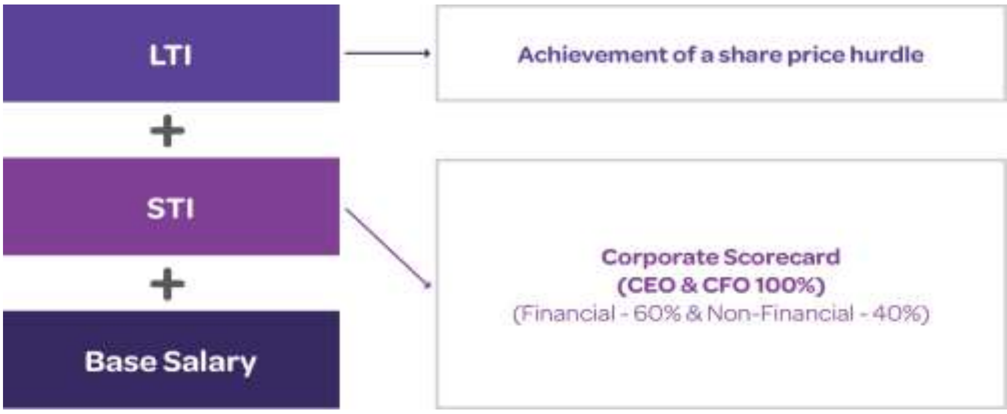
The Board, with assistance from the N&R Committee, is ultimately responsible for ensuring that CSG's Remuneration Policy is consistent with the business strategy and performance, supporting increased shareholder wealth over the long term.

The objective of the Remuneration Policy is to ensure the reward for performance is competitive and appropriate for the results delivered.

The Remuneration Policy details a framework for remuneration to be paid across the Company, from employees to Group Executives, including Non-Executive Directors, which includes a mix of fixed and variable remuneration, and short-term and long-term performance based indicators.

Remuneration Mix

Below is a summary of the remuneration mix for the CEO and CFO, which includes Base Salary, Short-Term Incentives ("STI") and Long-Term Incentives ("LTI"):



Below is a summary of the remuneration mix for a Group Executive:

Fixed remuneration

- Fixed remuneration is determined according to industry standards, relevant laws and regulations, labour market conditions and the profitability of the CSG business. It consists of base remuneration and superannuation. Base remuneration includes cash salary and any salary sacrifice items (e.g. motor vehicles).
- CSG provides employer superannuation contributions at Government legislated rates (2015: 9.5% in Australia and 3% in New Zealand), capped at the relevant concessional contribution limit unless part of a salary sacrifice election by the employee.
- The Board determines an appropriate level of fixed remuneration for the CEO and Group Executives, with recommendations from the N&R Committee.
- Fixed remuneration is reviewed annually and adjusted where appropriate.

Short-Term Incentives

This year the Corporate Scorecard was based on the following targets:

Category	Target	Weighting
Financial (60%)	Achieve EBITDA Targets within guidance range	25%
	Achieve revenue growth within guidance	10%
	Ensure cash targets are achieved	25%
Non-Financial (40%)	Retain identified key talent	10%
	Improve Net Promoter scoring for customer engagement	10%
	Achieve business transformation plan	10%
	Manage relationships with key stakeholders	5%
	Identify and execute a strategic growth initiative	5%

To encourage and reward Management for extraordinary performance there is an overachievement attached to the EBITDA target that will result in that component being paid at the percentage of the overachievement multiplied by the KPI weighting.

Divisional Scorecards are established for Group Executives and Senior Managers which are linked to business performance, for which they are directly responsible. The STI payment is based on the following percentage framework:

CEO/MD & CFO:	100% Corporate Scorecard
Executive General Managers:	50% Corporate Scorecard/ 50% Divisional Scorecard
Senior Managers:	30% Corporate Scorecard/ 70 % Divisional Scorecard.

From time to time, other entitlements in addition to the STI may be provided to Group Executives to reward performance that is considered exceptional in terms of shareholder return or Company performance. These entitlements are approved at the discretion of the N&R Committee.

Long-Term Incentives

- While STI rewards past performance, the Board considers it essential that the Group Executive and other Management (together the "Senior Executives") have reward incentives linked to longer-term Company performance and to value creation for shareholders.
- Following approval by the Shareholders at the 2012 Annual General Meeting, the CEO and Senior Executives were issued with performance rights under the Executive LTIP (LTIP Issues 5, 6 & 7). Each performance right represents an option to receive one ordinary share in the Company, subject to the satisfaction of the relevant vesting conditions.
- The final stage of the current Executive LTIP for Senior Executives will vest in November 2016 (subject to hurdles being met) and has been implemented to provide a reward to key personnel during the Company's turnaround phase.
- The performance hurdle for the grants made is growth in the Company share price.
- The Company share price was chosen in order to align with shareholder wealth objectives.
- As appropriate, where employees are promoted or new Senior Executives are appointed they are offered LTIs consistent with the existing plan and with the same hurdles.
- The Company also issued performance rights to certain Sales Agents during the year. These contractors are a key component of the Company's sales force. Their commitment and retention is seen as critical to achieving the Company's future growth strategy. These performance rights have a vesting date of 1 July 2017, subject to continued employment.
- The Board is currently developing a future LTIP beyond the current Executive LTIP for Senior Executives, which, subject to the necessary approvals, will be offered within the next financial year.

Long Term Incentive Plans

Options

Certain Senior Executives were granted options in prior financial years, as per the details listed in the tables below. All options have now been exercised or forfeited as at year end.

Performance rights

Details regarding performance rights on issue during the year are listed in the table below.

LTIP	Opening	Issued	Lapsed	Exercised	Closing
Issue 3	450,000	-	-	(450,000)	-
Issue 5	4,571,428	-	-	(1,333,333)	3,238,095
Issue 6	606,061	-	-	-	606,061*
Issue 7	9,988,564	1,701,046#	(1,701,046)#	(3,166,995)	6,821,569
Issue 8	-	622,088	-	-	622,088
Total	**15,616,053**	**2,323,134**	**(1,701,046)**	**(4,950,328)**	**11,287,813**

* The Performance Rights vested on 1 August 2015 and the equivalent number of ordinary shares were issued.

\# The Performance Rights lapsed on termination of employment and were reissued to employees, which were either promoted or recruited, on the same basis.

Plan	Detail

LTIP 3

The former CFO was granted options in the 2012 financial year under LTIP 3 to support the business during an on-market takeover bid that was made after he had submitted his resignation to ensure that he supported the Company during this period. The terms of the grant were:

- issued on 15 September 2011, vesting equally over two years;
- there were no performance conditions attached to these options and the participant did not need to be employed by the CSG Group; and
- LTIP 3 had an exercise price of $0.71 (which was reduced due to the latest capital return).

The remaining options under LTIP 3 were exercised progressively on 27 July 2014, 7 August 2014 and 14 August 2014. There are no further options under this plan.

LTIP 5

The CEO was granted performance rights in the 2013 financial year under LTIP 5. The terms of the grant were:

	Share Price (i)	TSR CAGR	Vesting Date	Expiry Date
LTI Stage 1	>$0.75	31.5%	30/11/14	30/11/15
LTI Stage 2	>$1.05	33.6%	30/11/15	30/11/16
LTI Stage 3	>$1.50	35.4%	30/11/16	30/11/17

(i) Share price means the volume weighted average price of the Company's ordinary shares on the ASX for a period of 4 weeks plus any cash dividends paid or capital return from February 2013 onwards minus $0.13.

The structure of the LTIP was formulated in early 2012 upon appointment of the CEO, and was subsequently approved by the shareholders at the Annual General Meeting in November 2012. The Performance Rights have 2, 3 and 4 year vesting periods with vesting dates on the third and fourth anniversaries of the approval date remaining. LTIP 5 has a zero exercise price.

LTIP 6

The CEO was granted performance rights in the 2013 financial year under LTIP 6 as part of a retention arrangement following the sale of the Technology Solutions business. The terms of the grant were:

- issued on 28 June 2013 and the rights vest on 1 August 2015;
- the participant must be employed by the CSG Group throughout the retention period; and
- the expiry date for exercise of vested rights is 1 December 2015
- LTIP 6 has a zero exercise price.

These performance rights vested on 1 August 2015 and the CEO was subsequently issued with 606,061 ordinary shares on 4 August 2015.

<table>
<tr><th>Plan</th><th>Detail</th></tr>
<tr><td>LTIP 7</td><td>
Certain Group Executives and Senior Managers were granted performance rights in the 2013 financial year under LTIP 7. The terms of the grant were:
<table>
<tr><th></th><th>Share Price (i)</th><th>TSR CAGR</th><th>Vesting Date</th><th>Expiry Date</th></tr>
<tr><td>LTI Stage 1</td><td>>$0.75</td><td>31.5%</td><td>30/11/14</td><td>30/11/15</td></tr>
<tr><td>LTI Stage 2</td><td>>$1.05</td><td>33.6%</td><td>30/11/15</td><td>30/11/16</td></tr>
<tr><td>LTI Stage 3</td><td>>$1.50</td><td>35.4%</td><td>30/11/16</td><td>30/11/17</td></tr>
</table>
(i) Share price means the volume weighted average price of the Company's ordinary shares on the ASX for a period of 4 weeks plus any cash dividends paid or capital return from February 2013 onwards minus $0.13.
The structure of the LTIP was formulated in early 2012 upon appointment of the CEO (together with LTIP 5 and 6), and was subsequently approved by the shareholders at the Annual General Meeting in November 2012. The Performance Rights have 2, 3 and 4 year vesting periods with vesting dates on the third and fourth anniversaries of the approval date remaining. LTIP 7 has a zero exercise price.
During the year further issues were made under the plan as employees were promoted or new executives were appointed. These issues equated to the number that had lapsed during the year due to termination of employment.
</td></tr>
<tr><td>LTIP 8</td><td>
Certain Group Executives and Senior Managers were granted performance rights in the 2015 financial year under LTIP 8. The terms of the grant were:
<table>
<tr><th></th><th>Share Price (i)</th><th>TSR CAGR</th><th>Vesting Date</th><th>Expiry Date</th></tr>
<tr><td>LTI Stage 2</td><td>>$1.05</td><td>33.6%</td><td>30/11/15</td><td>30/11/16</td></tr>
<tr><td>LTI Stage 3</td><td>>$1.50</td><td>35.4%</td><td>30/11/16</td><td>30/11/17</td></tr>
</table>
(i) Share price means the volume weighted average price of the Company's ordinary shares on the ASX for a period of 4 weeks plus any cash dividends paid or capital return from February 2013 onwards minus $0.13.
The structure of the LTIP was based on that formulated in early 2012 upon appointment of the CEO, with some variation, as appropriate, to the testing period to reflect the Group Executives and Senior Managers start date or promotion.
</td></tr>
</table>

Staff Incentive Share Plans

There are two Staff Incentive Share Plans that were approved at the 2012 Annual General Meeting to assist the Company to recruit, reward, retain and to generate increased engagement in its employees that are not part of the Executive LTIP. Both have been implemented and are listed below:

1. The CSG Tax Exempt Share Plan (Australia) ("AUS Tax Exempt Plan") in which eligible employees were offered up to AUD$1,000 worth of ordinary shares in the Company on a tax free basis. These shares are held in a trust and are subject to a three year holding lock. No consideration is payable by participants for the grant of ordinary shares and there are no additional vesting conditions or forfeiture conditions in respect of the plan other than that required by law.
2. The CSG Tax Exempt Share Plan (New Zealand) ("NZ Tax Exempt Plan") in which eligible employees were offered up to (AUD)$1,000 worth of ordinary shares in the company on a tax free basis. These shares are held in a trust and are subject to a three year holding lock. Nominal consideration ($NZD1) was payable for the grant of ordinary shares and there are no additional vesting conditions or forfeiture conditions in respect of the plan other than that required by law.

The Board approved a further issue under the above Staff Incentive Share Plans in FY2015 in accordance with each Plan's rules.

9. Non-Executive Director Remuneration

The available remuneration pool for Non-Executive Directors, as approved at the 2014 Annual General Meeting, is $600,000 (all inclusive). There is no intention to seek an increase at this year's Annual General Meeting.

The table below summarises the rates for the various roles. Key points to note are:

- the Chairman is paid an all-inclusive fee regardless of Committee positions;
- Board members are currently paid a base fee plus additional fees for each Committee Chair and Member role (see table below for fee structure); and
- Superannuation is paid on all fees at the statutory rates (increased to 9.50% for the 2015 financial year).

Non-Executive Directors remuneration fees effective from 1 July 2014 onwards are set out below:

2014/15	Board	Audit and Risk Management Committee	Nomination & Remuneration Committee
Chairman	$150,000[1]	$20,000	$20,000
Member	$57,500	$3,000	$3,000

[1] Superannuation is not paid on the Chairman's fee in the above table.

Following a recent review of Non-Executive Director fees, it was agreed that from 1 July 2015, Non-Executive Director remuneration fees (excluding statutory superannuation) be adjusted as follows:

2015/16	Board	Audit and Risk Management Committee	Nomination & Remuneration Committee
Chairman	$140,000[1]	$17,500	$17,500
Member	$65,000	-	-

[1] Superannuation is not paid on the Chairman's fee in the above table.

This adjustment will increase the overall pool for Non-Executive Directors fees from $455,505 to $463,025 or an increase of 1.7%. The last Non-Executive Director fee increase was 1 July 2013.

10. Link to 2015 Financial Year Performance

10.1 Company Performance

The table below provides summary information on the Company's earnings and shareholder wealth for the current year and prior years:

	2015	2014	2013	2012	2011
Revenue ($m)	224.3	199.3	184.6	202.8	388.6
Net profit/(loss) after tax ($m)	14.4	12.1	8.7	(22.2)	40.4
Share price ($)	1.60	1.03	0.94	0.79	1.00
Change in share price ($)	0.57	0.09	0.15	(0.21)	(0.84)
Dividends paid ($)	0.09	0.04	0.29	0.055	0.055
Total Shareholder Return (TSR)	64%	14%	56%	(16%)	(43%)
Earnings per Share (cents)	5.1	4.3	3.1	(7.9)	15.6

10.2 STI Outcomes

A balanced Corporate Scorecard was introduced in 2014 for the Group Executive. For the 2015 financial year the following allocations were made:

Scorecard Measure	Scorecard weighting	FY15 Outcome
EBITDA	25%	27.2%*
Revenue growth	10%	10%
Cash conversion	25%	25%
Employee engagement	10%	10%
Customer engagement	10%	10%
Business transformation	10%	7.5%
Stakeholders engagement	10%	10%
Total	**100%**	**99.7%**

* Overachievement entitlement of 108.8 % in accordance with the Company's Remuneration Policy.

STI payments are made based on the position of the KMP within the organisation. The CEO's and CFO's STI payment is based on 100% of Corporate Scorecard performance and Executive Group's STI payment is based on 50% Corporate Scorecard and 50% Divisional Scorecard performance.

10.3 LTI Outcomes

The movement in options issued and performance rights under previous LTIP during the year ended 30 June 2015 is summarized below:

LTIP	Opening	Issued	Lapsed	Exercised	Closing
Issue 3	450,000	-	-	(450,000)	-
Issue 5	4,571,428	-	-	(1,333,333)	3,238,095
Issue 6	606,061	-	-	-	606,061*
Issue 7	9,988,564	1,701,046#	(1,701,046)#	(3,166,995)	6,821,569
Issue 8	-	622,088	-	-	622,088
Total	**15,616,053**	**2,323,134**	**(1,701,046)**	**(4,950,328)**	**11,287,813**

* These Performance Rights vested on 1 August 2015 and the equivalent number of ordinary shares were issued.

The Performance Rights lapsed on termination of employment and were reissued to employees, which were either promoted or recruited, on the same basis.

11. Remuneration Tables and Disclosures

11.1 Directors' Remuneration

	Cash, Salary and Fees	STI and Other Fees	Termination Payments	Post-employment Super	LTI	Total	Perform-ance Related %
2015							
Non-Executive Directors							
Mr. Thomas Cowan*	149,946	-	-	-	-	149,946	-
Mr. Philip Bullock	80,500	-	-	7,647	-	88,147	-
Mr. Ian Kew	27,926	-	-	2,653	-	30,579	-
Mr. Mark Phillips	52,278	-	-	4,966	-	57,244	-
Mr. Stephen Anstice	52,278	-	-	4,966	-	57,244	-
Ms. Robin Low	69,560	-	-	6,608	-	76,168	-
Total	**432,488**	**-**	**-**	**26,840**	**-**	**459,328**	**-**
Executive Directors							
Ms. Julie-Ann Kerin	590,510	199,400	-	25,000	867,893	1,682,803	80%
Total	**1,022,998**	**199,400**	**-**	**51,840**	**867,893**	**2,142,131**	**80%**

	Cash, Salary and Fees	STI and Other Fees	Termination Payments	Post-employment Super	LTI	Total	Performance Related %
2014							
Non-Executive Directors							
Mr. Thomas Cowan*	150,000	-	-	-	-	150,000	-
Mr. Philip Bullock	80,500	-	-	7,446	-	87,946	-
Mr. Ian Kew	80,500	-	-	7,446	-	87,946	-
Total	**311,000**	**-**	**-**	**14,892**	**-**	**325,892**	**-**
Executive Directors							
Ms. Julie-Ann Kerin	614,875	198,900	-	25,000	743,205	1,581,980	60%
Total	**614,875**	**198,900**	**-**	**25,000**	**743,205**	**1,581,980**	**60%**

* Note: salary is inclusive of all entitlements

11.2 Executive Group Remuneration

	Cash, Salary and Fees	STI	Termination Payments	Post-employment Super	LTI	Total	Performance Related %
2015							
Mr. Neil Lynch	314,225	149,550	-	18,780	347,157	829,712	60%
Mr. Duncan Powell (i)	3,750	-	90,191	4,696	-	98,637	N/A
Mr. Warwick Beban	293,791	44,138	-	-	173,579	511,508	43%
Mr. Declan Ramsay	296,538	164,850	-	18,783	217,491	697,662	54%
Mr. Stephen Birrell	400,000	89,025	-	18,783	347,157	854,965	51%
Mr. Shailendra Singh (ii)	200,026	37,387		11,583	99,691	348,687	39%
Total	**1,508,330**	**484,950**	**90,191**	**72,625**	**1,185,075**	**3,341,171**	**50%**

(i) Resigned 3 July 2014

(ii) Commenced 10 December 2014. Ceased employment on 12 August 2015.

	Cash, Salary and Fees	STI	Termination Payments	Post-employment Super	LTI	TOTAL	Performance Related %
2014							
Mr. Neil Lynch	346,234	119,676	-	17,775	297,281	780,966	53%
Mr. Duncan Powell (i)	344,259	-	-	17,775	297,281	659,315	45%
Mr. Warwick Beban	276,734	113,670	-	-	148,641	539,045	49%
Mr. Declan Ramsay	318,661	100,616	-	17,775	148,641	585,693	43%
Mr. Stephen Birrell	407,692	97,087	-	17,775	297,281	819,835	48%
Total	**1,693,580**	**431,049**	**-**	**71,100**	**1,189,125**	**3,384,854**	**48%**

(i) Resigned 3 July 2014

11.3 LTIP Issue 4, 5, 6, 7 & 8 – Options & Performance Rights

All Performance Rights refer to rights over ordinary shares of CSG Limited, which are exercisable on a one-for-one basis under various plans. Performance rights are provided at no cost to the recipients. Non-Executive Directors are not entitled to participate in LTI plans.

	Date Granted	Balance at Beginning of Year	Granted in Year	Vested	Forfeited in Year	Balance at End of Year
2015						
Ms. Julie-Ann Kerin	28/6/2013	5,177,489	-	(1,333,333)	-	3,844,156
Mr. Neil Lynch	28/6/2013	1,828,571	-	(533,333)	-	1,295,238
Mr. Duncan Powell	28/6/2013	1,828,571	-	(533,333)	(1,295,238)	0
Mr. Warwick Beban	28/6/2013	914,286	-	(266,667)	-	647,619
Mr. Declan Ramsay	28/6/2013 & 30/12/2014	914,286	97,143	(266,667)	-	744,762
Mr. Stephen Birrell	28/6/2013	1,828,571	-	(533,333)	-	1,295,238
Mr. Shailendra Singh[(i)]	30/12/2014	-	433,000	-	-	433,000
	Total	**12,491,774**	**530,143**	**(3,466,666)**	**(1,295,238)**	**8,260,013**

(i) Commenced 10 December 2014. Ceased employment 12 August 2015.

	Date Granted	Balance at Beginning of Year	Granted in Year	Vested	Forfeited in Year	Balance at End of Year
2014						
Ms. Julie-Ann Kerin	28/6/2013	5,314,101	-	-	(136,612)*	5,177,489
Mr. Neil Lynch	28/6/2013	1,921,172	-	-	(92,601)*	1,828,571
Mr. Duncan Powell	28/6/2013	1,828,571	-	-	-	1,828,571
Mr. Warwick Beban	28/6/2013	914,286	-	-	-	914,286
Mr. Declan Ramsay	28/6/2013	914,286	-	-	-	914,286
Mr. Stephen Birrell	28/6/2013	1,828,571	-	-	-	1,828,571
	Total	**12,720,987**	**-**	**-**	**(229,213)**	**12,491,774**

* LTIP 4 granted 9 September 2011

2015	Fair Value per Right at Grant Date $	Exercise Price per Right $	% Vested in Year (a) %	% Lapsed in Year (a) %	Value of Rights Granted in Year (b) $	Value of Rights Held in Year (b) $	Value of Rights Vested in Year (c) $	Value of Rights Lapsed in Year (c) $	Financial Years in which Grant Vests	Expiry Date
Ms. Julie-Ann Kerin*	0.6649	1.185	100	-		258,500	1,580,000	-	2015	30/11/2015
	0.5451	-	-	-		428,442	-	-	2016	30/11/2016
	0.4646	-	-	-		180,951	-	-	2017	30/11/2017
Total						867,893	1,580,000			
Mr. Neil Lynch	0.6649	1.185	100	-		103,400	632,000	-	2015	30/11/2015
	0.5451	-	-	-		171,377	-	-	2016	30/11/2016
	0.4646	-	-	-		72,380	-	-	2017	30/11/2017
Total						347,157	632,000			
Mr. Duncan Powell	0.6649	1.185	100	-		-	632,000	-	2015	30/11/2015
	0.5451	-	-	100%		-	-	171,377	2016	30/11/2016
	0.4646	-	-	100%		-	-	72,380	2017	30/11/2017
Total							632,000	243,696		
Mr. Warwick Beban	0.6649	1.185	100	-		51,700	316,000	-	2015	30/11/2015
	0.5451	-	-	-		85,689	-	-	2016	30/11/2016
	0.4646	-	-	-		36,190	-	-	2017	30/11/2017
Total						173,579	316,000			
Mr. Declan Ramsay	0.6649	1.185	100	-		51,700	316,000	-	2015	30/11/2015
	0.5451	-	-	-		85,689	-	-	2016	30/11/2016
	0.4646	-	-	-		36,190	-	-	2017	30/11/2017
	1.11				34,703				2016	30/11/2016
	0.88				9,209				2017	30/11/2017
Total					43,912	173,579	316,000			
Mr. Stephen Birrell	0.6649	1.185	100	-		103,400	632,000	-	2015	30/11/2015
	0.5451	-	-	-		171,377	-	-	2016	30/11/2016
	0.4646	-	-	-		72,380	-	-	2017	30/11/2017
Total						347,157	632,000			
Mr. Shailendra Singh	0.88	-	-	-	99,691		-	-	2017	30/11/2017
Total					99,691					

* Excluding retention rights

Details of the performance criteria attached to each of the performance rights are included in the LTI discussion above and in Note 23 to the financial statements. No performance rights have been granted since the end of the financial year.

(a) The percent forfeited and lapsed in the year represents the reduction from the maximum number of options available to vest due to the performance or conditions not being achieved.

(b) Fair value is independently determined utilising assumptions underlying the Black-Scholes methodology to produce a Monte Carlo simulation model which allows for the incorporation of performance hurdles that must be met before the performance right vests. The valuation is undertaken in a risk-neutral framework whilst allowing for variables such as volatility, dividends, the risk free rate, the withdrawal rate and performance hurdles along with constants such as the strike price, term and vesting periods.

(c) The value of options that lapsed or were forfeited during the year represents the benefit foregone and was calculated as the number of options at the date the options lapsed or were forfeited, multiplied by the fair value of the options calculated independently at the date the options lapsed or were forfeited but assuming the vesting conditions were satisfied.

12. Service Agreements

	Expiry	Termination Notice	Termination Payment
Executive Director			
Ms. Julie-Ann Kerin	N/A	6 months	6 months
Group Executive			
Mr. Neil Lynch	N/A	6 months	6 months
Mr. Warwick Beban	N/A	3 months	3 months
Mr. Declan Ramsay	N/A	3 months	3 months
Mr. Stephen Birrell	N/A	3 months	6 months

13. Directors' Interests

The KMP's relevant interests in shares of the Company or options over shares in the Company are detailed below. Changes in shareholdings during the year are specified in Note 27 of the financial statements.

	Ordinary shares of CSG	Options over shares in CSG
Mr. Thomas Cowan(i)	19,924,622	-
Mr. Phillip Bullock	60,000	-
Mr. Ian Kew(ii)	-	-
Mr. Stephen Anstice	140,000	-
Mr. Mark Phillips	60,000	-
Ms. Robin Low	46,362	-
Ms. Julie-Ann Kerin	133,333	3,844,156
	20,032,279	**3,844,156**

(i) Mr. Thomas Cowan is a partner in TDM Asset Management (TDM). TDM has a direct interest in the shares held by its clients by virtue of the control it exercises in relation to the shares under its investment management arrangements with clients. TDM and its clients hold in aggregate 19,924,622 shares at 30 June 2015.

(ii) Ceased to be a director on 20 November 2014 at which time Mr. Kew held 69,730 ordinary shares

14. Transactions with Key Management Personnel

The Group used the corporate advisory services of TDM Asset Management, a firm which Mr. Thomas Cowan is a partner of, during the year for the total amount of $17,500. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

During the financial year, the companies in the Group entered into agreements in respect of the purchase of print and technology products and services on normal commercial terms and conditions with related entities of the Directors.

15. Environmental Regulation

The CSG Group's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

16. Proceedings on Behalf of the Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

17. State of Affairs

There have been no significant changes in the CSG Group's state of affairs during the financial year.

18. Dividends

The dividends paid or declared since the start of the year are as follows:

Current year interim: Unfranked dividends of 4 cents per share paid 11 March 2015
Current year final: Dividends declared* at 5 cents per share (2014: Unfranked dividends of 5 cents per share paid 8 September 2014)

Total Dividends

	Consolidated entity 2015 $'000	2014 $'000
Current year interim: Unfranked dividends of 4 cents per share paid 11 March 2015	11,365	
Current year final: Dividends declared* at 5 cents per share (2014: Unfranked dividends of 5 cents per share paid 8 September 2015)	14,238	13,965
Total Dividends	**25,603**	**13,965**

* Unfranked dividends of 5 cents per share were declared and approved on 17 August 2015 for a payment date of 8 September 2015, refer to item 23.

19. Directors' Interests in Contracts

Directors' interests in contracts are disclosed in Note 28 to the financial statements.

20. Indemnification and Insurance of Directors and Officers

During the financial year, the consolidated entity has paid a premium amounting to $210,832 insuring all the directors and the officers against judgments, settlements, investigative costs, defence costs and costs to appear at inquiries or investigations.

21. Non-Audit Services

Non-audit services are approved by resolution of the Audit and Risk Management Committee and approval is provided in writing to the Board. Non-audit services provided by the auditors of the Group during the year, KPMG, are detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to an auditor for non-audit services provided during the year by the auditor to any entity that is part of the consolidated entity for:	**2015 $**	2014 $
Other assurance services	98,659	53,700

22. Auditor's Independence Declaration

The lead auditor's independence declaration in relation to the audit for the financial year is set out on page 27 of this report.

23. Events Subsequent to Reporting Date

Unfranked dividends of 5 cents per share were declared and approved by the Directors on 17 August 2015 for a payment date of 8 September 2015.

On 16 August 2015, the Company executed an agreement to acquire Code Blue, an IT services company based in New Zealand, for total purchase consideration of $13.5m (NZ$15m). The consideration will be paid as $4.5m (NZ$5m) in cash on completion, and the balance of $9m (NZ$10m) subject to meeting agreed earn-out objectives over the following two years. Up to $3.3m (NZ$3.7m) could be paid by way of the issue of new shares, with the balance in cash, as part of the deferred purchase consideration. Both the purchase price and value of shares issued are subject to completion adjustments.

The financial effect of these transactions have not been brought to account in the financial statements for the year ended 30 June 2015.

24. Likely Developments

The CSG Group will continue to pursue its policy of increasing the profitability and market share of its business units during the next financial year. Refer to the Operational and Financial Review for further details.

25. Rounding of Amounts

The CSG Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors.

....

Ms. Julie-Ann Kerin

Director
Sydney
17 August 2015

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To: the directors of CSG Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 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.

KPMG

KPMG

Scott Guse
Partner

Sydney
17 August 2015

26. Financial Statements

Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 June 2015

	Notes	Consolidated entity 2015 $'000	2014 $'000
Revenue from continuing operations			
Sales revenue	7	193,161	173,929
Finance lease interest income		23,636	19,040
Interest income		111	148
Other income	7	7,382	6,208
		224,290	**199,325**
Changes in inventories of finished goods	8	105,899	97,690
Finance lease interest expense		11,697	8,520
Marketing expenses		2,360	2,167
Occupancy expenses		5,571	5,612
Administration expenses		23,073	20,783
Employee benefits expenses		41,936	34,459
Share based transactions		3,804	2,812
Acquisition and integration related expenses		540	-
Other expenses	8	685	3,252
Depreciation and amortization	8	4,518	5,161
Finance costs	8	1,599	1,054
		201,682	**181,510**
Profit before income tax		22,608	17,815
Income tax (expense)	9	(8,295)	(5,728)
Profit from continuing operations		**14,313**	**12,087**
Profit is attributable to:			
Members of the parent		13,572	11,125
Non-controlling interest		741	962
		14,313	**12,087**

The accompanying notes form part of these financial statements

Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 June 2015 (continued)

	Notes	Consolidated entity 2015 $'000	2014 $'000
Profit after income tax expense		14,313	12,087
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations, net of tax	24	(2,283)	3,518
Cash flow hedges:			
Net gains / (losses) taken to equity	24	(2,260)	(374)
Other comprehensive income for the year		(4,543)	3,144
Total comprehensive income for the year		**9,770**	**15,231**
Total profit and loss and other comprehensive income is attributable to:			
Members of the Parent		9,029	14,269
Non-controlling interest		741	962
		9,770	**15,231**
Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:			
Basic earnings per share (cents)	29	5.1	4.3
Diluted earnings per share (cents)	29	4.8	4.1

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 30 June 2015

	Notes	Consolidated entity 2015 $'000	2014 $'000
CURRENT ASSETS			
Cash and cash equivalents	11	24,754	27,268
Receivables	12	25,762	23,072
Lease receivables	12	67,598	57,617
Inventories	13	41,592	40,961
Other	14	6,574	6,546
Derivatives	15	915	-
TOTAL CURRENT ASSETS		**167,195**	**155,464**
NON-CURRENT ASSETS			
Lease receivables	12	142,444	103,887
Deferred tax assets	9	-	1,182
Property, plant and equipment	16	2,361	2,667
Intangible assets	17	193,233	191,001
TOTAL NON-CURRENT ASSETS		**338,038**	**298,737**
TOTAL ASSETS		**505,233**	**454,201**
CURRENT LIABILITIES			
Payables	18	43,235	42,826
Deferred income		95	435
Short term borrowings	19	10,131	675
Deferred Tax Liability	9	3,435	-
Current tax payable	9	515	1,325
Provisions	22	3,325	3,154
Debt associated with lease receivables	20	617	3,716
TOTAL CURRENT LIABILITIES		**61,353**	**52,131**
NON-CURRENT LIABILITIES			
Provisions	22	545	1,326
Derivatives	21	2,441	1,118
Debt associated with lease receivables	20	187,149	134,614
TOTAL NON-CURRENT LIABILITIES		**190,135**	**137,058**
TOTAL LIABILITIES		**251,488**	**189,189**
NET ASSETS		**253,745**	**265,012**
EQUITY			
Contributed equity	23	166,533	160,838
Reserves	24	3,147	9,091
Retained earnings	24	70,768	82,527
Equity attributable to owners of CSG Limited		**240,448**	**252,456**
Non-Controlling interest		13,297	12,556
TOTAL EQUITY		**253,745**	**265,012**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity for the year ended 30 June 2015

Consolidated entity	Contrib-uted Equity $'000	Reserves $'000	Cashflow Hedge Reserve $'000	Retained Earnings $'000	Non-controlling Interest $'000	Total Equity $'000
Balance as at 1 July 2013	**172,250**	**2,548**	**587**	**71,402**	**11,594**	**258,381**
Profit for the year	-	-	-	11,125	962	12,087
Exchange differences on translation of foreign operations, net of tax	-	3,518	-	-	-	3,518
Cash flow hedges	-	-	(374)	-	-	(374)
Total comprehensive income for the year	**-**	**3,518**	**(374)**	**11,125**	**962**	**15,231**
Transactions with owners in their capacity as owners:						
Equity settled transactions	108	2,812	-	-	-	2,920
Capital distribution	(11,159)	-	-	-	-	(11,159)
Capital raising costs deferred tax asset	(361)	-	-	-	-	(361)
Balance as at 30 June 2014	**160,838**	**8,878**	**213**	**82,527**	**12,556**	**265,012**
Balance as at 1 July 2014	**160,838**	**8,878**	**213**	**82,527**	**12,556**	**265,012**
Profit for the year	-	-	-	13,572	741	14,313
Exchange differences on translation of foreign operations, net of tax	-	(2,283)	-	-	-	(2,283)
Cash flow hedges:						
Net gains / (losses) taken to equity	-	-	(2,260)	-	-	(2,260)
Total comprehensive income for the year	**-**	**(2,283)**	**(2,260)**	**13,572**	**741**	**9,770**
Transactions with owners in their capacity as owners:						
Equity settled transactions	5,803	(1,401)	-	-	-	4,402
Dividends paid	-	-	-	(25,331)	-	(25,331)
Capital raising costs deferred tax asset	(108)	-	-	-	-	(108)
Balance as at 30 June 2015	**166,533**	**5,194**	**(2,047)**	**70,768**	**13,297**	**253,745**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows for the year ended 30 June 2015

		Consolidated entity	
	Notes	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		243,086	211,740
Payments to suppliers, employees and others		(214,447)	(191,278)
Movement in lease receivables		(41,774)	(46,010)
Interest income		111	148
Interest expense		(1,454)	(1,054)
Income tax paid		(4,773)	(6,540)
Net cash (used in) operating activities	25(a)	(19,251)	(32,994)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for intangibles		(3,946)	(4,344)
Payments for property, plant and equipment		(1,117)	(432)
Proceeds from the sale of property, plant and equipment		-	398
Payments for businesses	27	(11,506)	(8,000)
Net cash from/(used in) investing activities		(16,569)	(12,378)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings associated with lease receivables		49,436	41,906
Options exercised		320	225
Proceeds from borrowings		9,400	15,095
Repayment of borrowings		-	(15,167)
On-market share buy-backs		-	(117)
Capital distributions		-	(11,159)
Dividend distributions	10	(25,331)	-
Net cash flows provided by/(used in) financing activities		33,825	30,783
Net increase/(decrease) in cash held		(1,995)	(14,589)
Cash at the beginning of the financial year		27,268	40,017
Foreign exchange difference on cash holdings		(519)	1,840
Cash and cash equivalents at end of year	25(b)	24,754	27,268

The accompanying notes form part of these financial statements

Notes to the Financial Statements 30 June 2015

NOTE 1:
REPORTING ENTITY

CSG Limited (the "Company") is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is Level 1, 357 Collins Street, Melbourne, VIC, Australia, 3000. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its controlled entities (together referred to as the "Group" and individually as ("Group entities"). The Group is a for-profit entity and primarily involved in print related sales and service and financing of office equipment.

NOTE 2:
BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report was authorised for issue by the Directors on 17 August 2015.

(a) Basis of measurement

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain material items in the statement of financial position and as described in the accounting policies.

(b) Functional and presentation currency

The financial report is presented in Australia dollars which is the Company's functional currency. The Company is of a kind referred to in ASIC Class Order 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(c) Use of estimates and judgments

The preparation of the financial report in conformity with IFRS requires management to make judgments, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(i) Assessing impairment of goodwill

Goodwill is allocated to cash generating units ("CGUs") according to applicable business operations. The CGUs are aligned at the segment level. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected financial forecasts and projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using a post-tax discount rates listed in Note 17 to determine value-in-use.

(ii) Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(iii) Employment benefits

Calculation of long term employment benefits requires estimation of the retention of staff, future remuneration levels and timing of the settlement of the benefits. The estimates are based on historical trends.

(iv) Share-based payments

Calculation of shared based payments requires estimation of the timing of the exercise of the underlying instrument. The estimates are based on historical trends.

(v) Inventory – consumables at customer premises

Inventory balances include consumables owned by the group but located at customer premises. The value of consumables recorded as inventory is based on management's estimate resultant from information held in customer servicing systems and a sample of customer holdings.

(vi) Inventory - obsolescence

Inventory balances relate to items subject to technological obsolescence and unknown usage levels. Obsolete and slow-moving inventory is estimated based on the age of the inventory items, historical usage and likely future usage, and likely recoverable values.

NOTE 3:
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

iii. Non-controlling interests
Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit and loss and other comprehensive income and consolidated statement of financial position respectively.

iv. Loss of control
Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

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

(b) Foreign currency

i. Foreign currency transactions
Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction. Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year. All resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

ii. Foreign operations
Entities that have a functional currency different to the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- all resulting exchange differences are recognised as a separate component of equity.

(c) Financial instruments

i. Non-derivative financial assets
The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss
A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial assets at their fair value through profit or loss are remeasured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables are measured at fair value at inception net of transaction costs and subsequently at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Cash and cash equivalents
Cash and cash equivalents include cash on hand and at banks, including restricted cash and a group multi-function bank overdraft facility. Bank overdrafts are shown within long-term borrowings in non-current liabilities on the balance sheet.

ii. Non-derivative financial liabilities
Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to Director related entities.

iii. Derivative financial instruments, including hedge accounting
The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities and foreign exchange risk in respect of inventory purchases. In accordance with treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that are not designated hedges are accounted for as held for trading instruments.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to hedged risk, and whether the actual results of each hedge are within a range of 80 – 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value and subject to the nature of the hedging instrument the gain or loss on re-measurement to fair value is recognised immediately in the statement of comprehensive income or as described below.

Cash flow hedges
When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. The ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount recognised in equity is included in the carrying amount of the asset when the asset is recognised. In other cases the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, the hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

(d) Revenue Recognition
Sale of Goods
Revenue is measured at the fair value of the consideration received or receivable.

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

Rendering of Services

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

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

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

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

Interest income

Interest on loans and receivables from finance leases is recognised on an effective interest rate basis. Minimum lease payments received under finance leases are apportioned between the finance income and the reduction of the outstanding asset. The finance income is allocated to each period during the lease term so as to produce a constant period rate of interest on the remaining balance of the asset. An accrual basis is used to record interest income.

Operating lease revenue

Rental income from operating leases of equipment is recognised on an accrual basis with income recognised on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Equipment sales under financing arrangement

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

Other income

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue arrangements with multiple deliverables

Where two or more revenue-generating activities or deliverables are sold under a single arrangement, each deliverable that is considered to be a separate unit of accounting is accounted for separately. When the deliverables in a multiple element arrangement are not considered to be separate units of accounting, the arrangement is accounted for as a single unit.

A separate unit of accounting exists where the deliverable has value to the customer on a stand-alone basis and there is objective and reliable evidence of the fair values.

(e) Receivables

All trade receivables are recognised initially at fair value, and subsequently at amortised cost, less impairment.

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

(f) Inventories

Inventories are valued on the weighted average cost basis at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion.

(g) Property, Plant and Equipment

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

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

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

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.

Where the Company leases assets as a lessor on an operating lease, the Company retains substantially all the risks and rewards of ownership. The assets are stated at historical cost less accumulated depreciation and impairment losses (where applicable).

Depreciation of property, plant and equipment is calculated on a straight line and diminishing value basis to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives to the Company.

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

Assets	Rate	Method
Leasehold improvements	2.5% - 33%	Diminishing value and straight line
Plant and equipment	2.5% - 40%	Diminishing value and straight line
Motor vehicles	13%-19%	Diminishing value
Office computer equipment	10% - 50%	Diminishing value and straight line
Furniture and fittings	5% - 20%	Diminishing value and straight line
Leased plant and equipment	20%	Straight-line

(h) Intangible assets

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill acquired in a business combination is allocated into the specific components acquired as part of the business combination.

All goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Licenses and other Intangible Assets

Licenses and other intangible assets have a finite useful life and are recorded at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the licenses over their estimated useful life. Other intangible assets have been assigned finite lives between 3-10 years. Software developed for resale is amortised over five years. Customer contracts/relationships acquired in a business combination have been assigned a finite life of 14 years and are amortised on a straight line basis over this period.

(i) Impairment

i. Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised costs is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite life intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

iii. Trade and other Payables

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

(j) Borrowings

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

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

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

(k) Employee benefits

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

Share-based Payments

The consolidated entity operates an employee share option plan. The bonus element over the exercise price for the grant of options is recognised as an expense in the statement of comprehensive income in the period(s) when the benefit is earned.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options at grant date. The fair value of options at grant date is determined using the Monte Carlo pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the option.

(l) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

i. Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

ii. Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

(m) Leases

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

Finance leases

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

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

Operating lease

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

(n) Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss, gains on the re-measurement to fair value of any pre-existing interest in an acquiree, gains on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, fair value losses on financials assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), losses on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis in other income in Note 7 depending on whether foreign currency movements are in a net gain or net loss position.

(o) Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current income tax expense or revenue is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

Tax consolidation

CSG Limited and its Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation on 1 July 2007. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(p) Research & Development

Research expenditure is recognised as an expense as incurred. Concessional tax benefits receivable in respect of eligible expenditure are recognised as income. Income is recognised with respect to concessional benefits upon confirmation and registration of eligible projects with evaluation and registration of eligible projects typically completed in the following financial year.

Costs incurred on development projects are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably.

(q) Discontinued operations

Classification as a discontinued operation occurs upon the disposal or when the operation meets the criteria to be classified as held for sale or distribution, if earlier.

(r) Segment reporting

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

NOTE 4:

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

(a) New standards adopted

During the year, the Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2014.

i. AASB 2011-4 Key management personnel disclosures

The new standards have not had a significant effect on the Group's disclosures and on existing financial assets and liabilities.

(b) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing these consolidated financial statements. The standards which may be relevant to the Group as set out below.

i. AASB 9 Financial Instruments (2013), AASB 9 Financial Instruments (2010) and AASB 9 Financial Instruments (2009) (together AASB 9)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets. AASB 9 (2013) introduces new requirements for hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, early adoption is permitted.

The adoption of these standards is expected to have an impact on the Group's financial assets, but no impact on the Group's financial liabilities. The Group has not yet determined the impact on its hedging arrangements.

ii. AASB 15 Revenue Contracts (2014)

AASB15 (2014) contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. AASB15 is effective for annual periods beginning or after 1 January 2018. However, early adoption is permitted.

NOTE 5:
DETERMINATION 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.

Fair value hierarchy

In valuing financial instruments, the consolidated entity uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. There are no material level 3 financial instruments.

The fair value of financial assets and financial liabilities, other than the fair value of derivatives, approximates their carrying amounts as disclosed in the Statement of Financial Position and Notes to the financial statements. The fair value hierarchy instruments not at fair value include borrowings as level 2 and finance leases as level 3.

The fair values of the Group's derivative financial instruments, being interest rate swaps and forward foreign exchange contracts, are categorised as Level 2 in the fair value hierarchy (2014: Level 2). The fair values are based on the market comparison technique, using broker or counterparty quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. There are no significant unobservable inputs used in the valuations.

Fair value measurement

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Forward exchange contracts and interest rate swaps

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, then the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a credit-adjusted risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using the market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

(b) Other non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is referenced to the contract.

(c) Share-based payment transactions

The fair value of the Performance Rights under the Long Term Incentive Plan are measured using Monte Carlo sampling. The fair value of the employee share options currently under issue is measured using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the historic volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(d) Contingent consideration
The fair value of contingent consideration is calculated using the income approach based on the expected payment amounts and their associated probabilities. When appropriate, it is discounted to present value.

NOTE 6:
FINANCIAL RISK MANAGEMENT

The major financial instruments entered into by the Group comprise short term trade receivables and payables, loans and receivables, short and long-term borrowings. The Group does not have any significant financial risks in respect of trade receivables and payables. The main area of financial risk arises in respect of interest rate risk on long-term borrowings. Certain aspects of financial risk management are considered further as detailed below.

The Group is exposed to a variety of financial risks comprising:

- interest rate risk;
- credit risk;
- liquidity risk;
- foreign exchange risk; and
- fair values.

The Board of Directors has overall responsibility for identifying and managing operational and financial risks.

(a) Interest rate risk

Corporate debt facility
During the year the Group negotiated a temporary increase in the limit of the Senior Debt Facility Agreement with the Commonwealth Bank of Australia ("CBA") to a facility amount of $45m (2014: $35m). The facility limit reverts to $35m on 31 January 2016 and the maturity date remains 1 January 2017. This Facility is primarily to be used for working capital and general corporate purposes but also provides for a business card facility and a lease finance facility. Interest on the Facility is charged at a floating rate plus a margin.

Lease financing facilities – New Zealand
On 22 June 2015, Westpac New Zealand became the sole funder to the CSG Finance NZ Trust securitisation funding facility, with CBA's commitment transferred to Westpac New Zealand on that date. The availability period for writing new business was extended 12 months until 15 April 2017, with a final maturity date of 15 April 2019. The funding limit under this facility is $85m (NZ$95m) (2014: NZ$100m) Interest on the CSG Finance NZ Trust securitisation funding facility is charged at a floating rate plus a margin, and re-prices on a monthly basis. As the finance lease receivables are predominantly fixed rate in nature, the Group enters into interest rate swaps to fix these floating rate exposures.

In addition to the CSG Finance NZ Trust securitization funding facility, the Group has funded leasing activities in New Zealand by way of finance leases with CBA through a Cash Advance Facility, also secured by finance lease receivables, operated by CSG Finance NZ (Facility 2) Limited. The facility limit is $31.3m (NZ$35.0m) (2014: NZ$35.0m). The maturity date of this facility has been extended a further 12 months to 24 January 2017. Interest on the facility is charged at a floating rate plus a margin and re-prices at specified short-term intervals.

Lease financing facilities – Australia
On 22 June 2015, Westpac became the sole funder to the CSG Finance Australia Trust securitisation funding facility, with CBA's commitment transferred to Westpac on that date. The funding limit under this facility is $100m (2014: $65m). The availability period for writing new business was extended 12 months until 10 February 2017 and the facility matures on 10 February 2019. Interest on the CSG Finance Australia Trust securitisation funding facility is charged at a floating rate plus a margin, and re-prices generally on a quarterly basis. As the finance lease receivables are predominantly fixed rate in nature, the Group enters into interest rate swaps to fix these floating rate exposures.

In June 2015, the Group negotiated an increase in the facility limit of the Senior Facility operated by subsidiary CSG Finance Group Receivables Pty Ltd. The facility limit is $25m (2014:$15m) and the debt is secured by the finance lease receivables. The maturity date of this facility has been extended a further 12 months to 23 January 2017. Interest on the facility is charged at a floating rate plus a margin and re-prices at specified short-term intervals (usually one month).

Financial instruments are subject to the risk that market values may change subsequent to their acquisition. In the case of interest rates, market changes will affect the cash flows of interest income and interest expense for the Company and

Group. The management of the Group's exposure to interest rates is carried out through regular monitoring of the interest re-pricing profile for both assets and liabilities of the Group. In terms of the securitisation facilities interest rate swaps are taken out by the trust entities to hedge 100% of the debt drawn to fund future cash flow equivalent to the portfolio designated "securitised" leases.

The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are detailed in the table provided below.

Interest Rate Sensitivity Analysis	2015 $000's		2014 $000's	
	Impact on Income Statement	Impact on Equity	Impact on Income Statement	Impact on Equity
Interest Rates:	Increase/ (decrease) on profit	Increase/ (decrease) on equity	Increase/ (decrease) on profit	Increase/ (decrease) on equity
100 bps increase:				
Cash flow sensitivity:				
Impact on interest income on cash	208	208	189	189
Impact on interest expense on loans	(1,774)	(1,774)	(1,256)	(1,256)
Impact on cash flows from derivative	1,110	1,110	818	818
Fair value sensitivity:				
Impact on derivative fair value at balance date	2,729	2,729	1,554	1,554
Total impact	**3,683**	**3,683**	**1,305**	**1,305**
Interest Rates:				
100 bps decrease:				
Cash flow sensitivity:				
Impact on interest income on cash	(208)	(208)	(189)	(189)
Impact on interest expense on loans	1,774	1,774	1,256	1,256
Impact on cash flows from derivative	(1,110)	(1,110)	(818)	(818)
Fair value sensitivity:				
Impact on derivative fair value at balance date	(2,729)	(2,729)	(1,554)	(1,554)
Total impact	**(3,683)**	**(3,683)**	**(1,305)**	**(1,305)**

(b) Credit Risk Exposures

Credit risk is the risk that a loss will be incurred if a counterparty to a transaction does not fulfill its financial obligations. Management is responsible for sanctioning large credit exposures to all customers arising from lending activities. Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and bank balances, finance leases receivables, trade receivables and prepayments.

The Group has a credit policy that is used to manage its exposure to credit risk. As part of this policy, limits on exposures have been set, lease agreements are subject to defined criteria, and leases are monitored on a regular basis. Maximum exposures are net of any recognised provisions. The maximum credit risk is the contract value of the leases. To control the level of credit risk taken, management evaluates each customer's credit risk on a case by case basis. Credit risk is mitigated by the large number of clients and relatively small size of individual credit exposures.

For finance and operating leases the collateral taken on the provision of a financial facility is by way of a registered security interest over the leased asset. In some cases a personal guarantee is obtained. Loan and lease agreements provide that, if an event of default occurs, collateral will be repossessed and/or the personal guarantee invoked. The repossessed collateral is either held until overdue payments have been received or sold in the secondary market.

In addition the Company has contingent liabilities relating to buy back guarantees on certain finance contracts for the lease of copiers and multi-function devices by customers. The Company undertakes a credit approval process to determine whether it is prepared to buy back the loan on default. When a circumstance arises where the Company is required to buy back the loan, the equipment financed becomes the property of the Company.

Concentrations of Credit Risk
The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers. The print businesses have a broad range of clients across all sectors of the economy, and spread throughout all regions of Australia and New Zealand. The leasing business has a wide spread of clients across all economic sectors and regions of Australia and New Zealand. The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

Impairment
At 30 June 2015, the ageing of the trade and other receivables that were not impaired was as follows:

	2015	2014
Neither past due or impaired	222,754	178,680
Past due 1 – 30 days	9,634	4,374
Past due not impaired 31 – 90 days	1,610	1,150
Past due not impaired 91+ days	1,807	372
	235,805	**184,576**

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behavior and analysis of individual customer credit risk.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions. The level of expected cash inflows from trade and lease receivables are closely monitored against the predicted outflows arising from operations. The Group has access to various financing facilities to support its lease receivables financing activities, and to provide funding for working capital and general corporate purposes. Refer to Note 25 (c) for details on the unused banking facilities.

The securitisation financing facilities in both Australia and New Zealand require the Group to contribute to credit enhancement. At 30 June 2015, this comprised 8.8% of the net pool balance of securitised leases for the New Zealand facility ($6.1m (NZ$6.8m)) and 11.6% of the net pool balances of securitised leases for the Australian facility ($10.2m).

As part of the arrangements regarding the Cash Advance Facility and the Senior Facility, the Group is required to contribute towards credit protection reserves. The credit protection reserve of the Cash Advance Facility is a cash reserve maintained at 10% of the loan drawn to fund the lease book value (2014: 10%), and for the Senior Facility, a cash reserve of 15% of the loan drawn to fund the lease book value (2014: 15%). The cash reserve maintained for the Cash Advance Facility at balance date was $3.1m (NZ$3.5m) (2014: $2.9m (NZ $3.1m)) and for the Senior Facility $2.0m (2014: $1.0m).

The Company was in full compliance with these covenants at balance date.

Cash reserve accounts are restricted under the financing arrangements. The funds will be repaid to the Group on request if the Company has paid more than required for the Credit Protection. Once a month funds paid into the bank accounts by the lessees, which do not relate to repayment of principal balances, are returned to the Group.

(d) Foreign Exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the New Zealand dollar and US dollar.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Company's subsidiary, Konica Minolta Business Solutions New Zealand Limited, settles purchases of equipment predominantly in US dollars. All committed purchases are fully hedged using forward contracts or option contracts to buy US$ / sell NZ$ to protect from exchange rate movements between the shipping date and settlement. Forecast highly probable but not yet committed purchases may also be hedged using forward contracts or option contracts. Foreign exchange hedge contracts have maturities of less than one year and are designated as cash flow hedges.

As at 30 June 2015, a total of US$4.7m of forward cover was in place with an average NZ$/US$ rate of 0.7217.

The Company has hedged it's exposure to income generated by the New Zealand businesses using purchased put options.

As at 30 June 2015, a total of NZ$17.7m of forward cover was in place at an average rate of 0.93.

Financial Instruments	Floating Interest Rate		Fixed Interest Rate Maturing in : 1 year or less		1 - 5 years		> 5 years		Non-Interest Bearing		Total Carrying Amount as per Balance Sheet		Weighted Average Effective Interest Rate	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 %	2014 %
(i) Financial Assets														
Cash and Cash Equivalents	24,739	27,252	-	-	-	-	-	-	15	16	24,754	27,268	2.79%	2.42%
Trade Receivables	-	-	-	-	-	-	-	-	23,607	20,464	23,607	20,464	-	-
Finance Lease Receivables	-	-	67,598	57,617	142,444	103,887	-	-	-	-	210,042	161,504	10.89%	11.66%
Derivatives		-	-	-	-	-	-	-	915	-	915	-	-	-
Sundry Debtors	-	-	-	-	-	-	-	-	2,155	3,072	2,155	3,072	-	-
Total Financial Assets	24,739	27,252	67,598	57,617	142,444	103,887	-	-	25,778	23,552	260,559	212,308		
(ii) Financial Liabilities														
Trade Payables	-	-	-	-	-	-	-	-	15,561	27,415	15,561	27,415	-	-
Other Payables and deferred income	-	-	-	-	-	-	-	-	27,674	15,411	27,674	15,411	-	-
Debt Associated with Finance Leases	-	-	617	3,716	187,149	134,614	-	-	-	-	187,766	138,330	4.30%	4.62%
Derivatives - interest rate swaps	-	-	2,441	1,118	-	-	-	-	-	-	2,441	1,118	3.68%	4.42%
Current Tax Liability	-	-	-	-	-	-	-	-	515	1,325	515	1,325	-	-
Term Debt/Bills Payable	9,400	-	-		-	-	-	-	731	675	10,131	675	3.48%	2.38%
Total Financial Liabilities	9,400	-	3,058	4,834	187,149	134,614	-	-	44,481	44,826	244,088	184,274		

	Consolidated entity	
	2015	2014
	$'000	$'000

NOTE 7:
REVENUE

Revenues from continuing operations

Sales revenue

Revenue from sales of goods	103,621	83,565
Revenue from services	89,540	90,364
	193,161	**173,929**

Other Income

Sundry	6,637	4,321
Interest rate swap income	833	1,378
Gain/(Loss) on foreign exchange	(88)	509
	7,382	**6,208**

	Consolidated entity	
	2015	2014
	$'000	$'000

NOTE 8:
PROFIT FROM CONTINUING OPERATIONS

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

	2015 $'000	2014 $'000
Changes in inventories of finished goods		
Cost of goods	52,148	44,926
Cost of sales – service	34,925	33,752
Cost of sales - service (employee benefits)	18,826	19,012
Total changes in inventories of finished goods	105,899	97,690
Other expenses		
Bad debts expense	811	909
Other	(126)	2,343
Total other expenses	685	3,252
Depreciation and amortization		
Plant and equipment	1,027	1,735
Leased property, plant and equipment	105	470
Leasehold improvements	243	325
Amortisation of customer contracts/relationships	2,266	2,267
Amortisation of intangible assets	682	278
Amortisation of borrowing costs	195	86
Total depreciation and amortisation	4,518	5,161
Finance costs		
Interest	1,454	902
Bank fees	145	152
Total finance costs	1,599	1,054

	Consolidated entity 2015 $'000	2014 $'000
NOTE 9: INCOME TAX		
(a) Components of tax expense:		
Current tax expense in respect of the current year:	2,096	2,642
Deferred tax expense recognised in the current year	6,573	3,256
Adjustments recognised in the current year in relation to the prior year	(374)	(170)
Total tax expense	8,295	5,728
(b) Prima facie tax payable		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit/loss before tax from continuing operations	22,608	17,815
Prima facie income tax payable on profit before income tax at 30% (2013: 30%)	6,782	5,345
Add tax effect of:		
- other non-allowable items	1,002	1,016
- effect of different tax rates in other jurisdictions (i)	(274)	(338)
- share-based payments	1,141	791
- under provision for income tax in prior years	(28)	10
	1,841	1,479
Less tax effect of:		
- other non-assessable items	(328)	(653)
- non-assessable group dividends	(0)	(443)
	(328)	(1,096)
Income tax expense attributable to profit	8,295	5,728

(i) The corporate tax rate in New Zealand is 28%.

	Consolidated entity 2015 $'000	2014 $'000

NOTE 9:
INCOME TAX (cont.)

(c) Deferred tax

Deferred tax relates to the following:

Deferred tax assets

	2015 $'000	2014 $'000
The balance comprises:		
Inventories	335	230
Doubtful debts	280	343
Property, plant and equipment	565	253
Accrued expenses	1,107	536
Provision for annual and long service leave	841	793
Other provisions	624	376
Research and development tax offsets	2,348	1,156
Tax losses carried forward	6,928	3,857
Share issue costs	131	345
Other	100	267
Total deferred tax assets	13,259	8,156

Deferred tax liabilities

	2015 $'000	2014 $'000
The balance comprises:		
Accrued revenue	(1,119)	(1,200)
Property, plant and equipment	(2,074)	(2,184)
Operating Leases	(12,417)	(2,285)
Other	(1,084)	(1,305)
Total deferred tax liabilities	(16,694)	(6,974)
Net Deferred tax (liabilities)/assets	(3,435)	1,182

(d) Deferred income tax related to items charged or credited directly to equity

	2015 $'000	2014 $'000
Share issue costs	108	360
Total	108	360

	Consolidated entity	
	2015	2014
	$'000	$'000

NOTE 10:
DIVIDENDS ON ORDINARY SHARES

(a) Dividends paid during the year

(i) Current Year Interim		
Unfranked dividends (4 cents per share) (2014: nil cents per share)	11,366	-
(ii) Prior Year Final		
Unfranked dividends (5 cents per share) (2014: nil cents per share).	13,965	-

(b) Franking credit balance

Balance of franking account at year-end adjusted for franking credits arising from payment of provision for income tax and deducting franking credits to be used in payment of proposed dividends	819	488

(c) Dividends proposed and not recognised as a liability

Unfranked dividends of 5 cents per share were declared and approved on 17 August 2015 for a payment date of 8 September 2015. Refer to Note 33.

	Consolidated entity 2015 $'000	2014 $'000
NOTE 11: CASH AND CASH EQUIVALENTS		
Cash at bank	10,844	12,391
Restricted cash (i)	13,895	14,861
Cash on hand	15	16
	24,754	27,268

(i) Cash amounts provided as part of credit protection reserve – refer note 6.

	2015 $'000	2014 $'000
NOTE 12: RECEIVABLES		
Trade receivables	23,978	20,464
Impairment	(371)	(464)
Sundry debtors	2,155	3,072
	25,762	23,072
Finance Lease receivables		
Current	67,598	57,617
Non-current	142,444	103,887
	210,042	161,504
NOTE 13: INVENTORIES		
Finished goods	17,085	16,617
Consumables	7,566	9,273
Toner in Field	16,941	15,071
	41,592	40,961

Finished goods comprises multi-function devices, printers and related accessories.
Toner in field comprises unutilized toner held at customer premises.

	2015 $'000	2014 $'000
NOTE 14: OTHER CURRENT ASSETS		
Prepayments	2,237	3,194
Other	4,337	3,352
	6,574	6,546
NOTE 15: DERIVATIVE ASSETS		
Derivatives – Foreign currency options	915	-
	915	-

		Consolidated entity	
	Notes	2015 $'000	2014 $'000
NOTE 16: PROPERTY, PLANT AND EQUIPMENT			
Leasehold improvements			
At Cost		3,102	3,093
Accumulated depreciation		(2,592)	(2,550)
	16(a)	510	543
Plant and equipment			
At Cost		791	902
Accumulated depreciation		(485)	(645)
	16(a)	306	257
Furniture and fittings			
At Cost		3,532	3,685
Accumulated depreciation		(3,104)	(3,004)
	16(a)	428	681
Office computer equipment			
At Cost		8,949	9,145
Accumulated depreciation		(7,859)	(8,106)
	16(a)	1,090	1,039
Leased plant & equipment			
At Cost		642	736
Accumulated depreciation		(615)	(589)
	16(a)	27	147
Total written down value		2,361	2,667

	Consolidated entity 2015 $'000	2014 $'000

NOTE 16:
PROPERTY, PLANT AND EQUIPMENT (cont.)

(a) Reconciliation of the carrying amount of property, plant and equipment at the beginning of the year

	2015 $'000	2014 $'000
Leasehold improvements		
Carrying amount	543	693
Transfer between classes	-	-
Additions	216	122
Foreign currency translation	(6)	53
Depreciation expense	(243)	(325)
	510	543
Plant & equipment		
Carrying amount	257	428
Transfer between classes	53	-
Disposals	-	(49)
Additions	70	43
Foreign currency translation	-	28
Depreciation expense	(74)	(193)
	306	257
Furniture & fittings		
Carrying amount	681	997
Transfer between classes	-	-
Disposals	-	(78)
Additions	51	39
Foreign currency translation	(10)	59
Depreciation expense	(294)	(336)
	428	681

NOTE 16:
PROPERTY, PLANT AND EQUIPMENT (cont.)

	Consolidated entity 2015 $'000	Consolidated entity 2014 $'000
Office computer equipment		
Carrying amount	1,039	1,714
Transfer between classes	(53)	-
Disposals	(3)	-
Additions	780	228
Foreign currency translation	(14)	68
Depreciation expense	(659)	(971)
	1,090	1,039
Motor Vehicles		
Carrying amount	-	676
Disposals	-	(441)
Additions	-	-
Depreciation expense	-	(235)
	-	-
Leased plant & equipment		
Carrying amount	147	569
Transfer between classes	-	-
Disposals	(12)	-
Additions	-	-
Foreign currency translation	(3)	48
Depreciation expense	(105)	(470)
	27	147

	Consolidated entity	
	2015	2014
	$'000	$'000

NOTE 17:
INTANGIBLE ASSETS

Goodwill	164,317	162,888
Net carrying amount	164,317	162,888
Opening net book amount	162,888	162,457
Adjustment to prior period acquisitions	-	-
Additions	1,429	431
Closing net book value	164,317	162,888
Customer Contracts/Relationships		
Customer Contracts/Relationships on consolidation	31,727	31,727
Accumulated amortisation	(12,000)	(9,734)
Net carrying amount	19,727	21,993
Opening net book amount	21,993	24,260
Amortisation expense	(2,266)	(2,267)
Closing net book value	19,727	21,993

	Consolidated entity	
	2015 $'000	2014 $'000
NOTE 17: INTANGIBLE ASSETS (cont.)		
Licenses and other intangibles assets		
Licenses and other intangibles at cost	10,376	6,598
Accumulated amortisation	(1,187)	(478)
Net carrying amount	9,189	6,120
Opening net book amount	6,120	2,054
Additions	3,946	4,344
Amortisation expense	(877)	(278)
Closing net book value	9,189	6,120
Total	193,233	191,001

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	2015 $'000	2014 $'000
Business Solutions Australia	57,388	67,268
Enterprise Solutions Australia	3,406	-
Business Solutions New Zealand	70,019	70,019
Finance Solutions Australia	9,120	1,216
Finance Solutions New Zealand	24,385	24,385
	164,317	162,888

The recoverable amounts of the CGUs are based on their value in use, determined by discounting the future cash flows covering a five year period, based on financial budgets approved by the Board, plus a terminal growth rate.

Key assumptions used in the calculation of value in use were discount rate and the EBITDA growth rate, which are listed in the table below.

	Terminal Growth Rate		Discount Rate	
	2015	2014	2015	2014
Business Solutions Australia	2.5%	2.5%	10.2%	11.6%
Enterprise Solutions Australia	2.5%	-	10.7%	-
Business Solutions New Zealand	2.5%	2.5%	10.4%	10.6%
Finance Solutions Australia	2.5%	2.5%	11.3%	11.6%
Finance Solutions New Zealand	2.5%	2.5%	10.3%	10.1%

The discount rate applied was a pre-tax measure based on the risk-free rate obtained from the yield on 10-year bonds issued by the government in the relevant market and in the same currency as the cash flows adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

The Board has determined there are no reasonably possible changes that could occur in the two key assumptions that would cause the carrying amount of these CGUs to exceed their recoverable amount.

	Note	Consolidated entity 2015 $'000	2014 $'000

NOTE 18:
PAYABLES

	Note	2015 $'000	2014 $'000
CURRENT			
Trade payables		15,561	27,415
Other payables		27,674	15,411
		43,235	42,826

NOTE 19:
SHORT TERM BORROWINGS

	Note	2015 $'000	2014 $'000
CURRENT			
Secured			
Loans and Borrowings		9,400	-
Other		731	675
		10,131	675

NOTE 20:
DEBT ASSOCIATED WITH LEASE RECEIVABLES

	Note	2015 $'000	2014 $'000
CURRENT			
Loans and borrowings		617	3,716
		617	3,716
NON-CURRENT			
Loans and borrowings		187,149	134,614
		187,149	134,614

NOTE 21:
DERIVATIVES LIABILITIES

	Note	2015 $'000	2014 $'000
NON - CURRENT			
Derivatives – Interest rate swaps		2,441	1,118
		2,441	1,118

Information about interest rate risk is detailed in Note 6

	Consolidated entity	
	2015	2014
	$'000	$'000

NOTE 22:
PROVISIONS

CURRENT		
Employee Benefits	2,584	2,291
Other	741	863
	3,325	3,154
NON CURRENT		
Employee Benefits	545	604
Other	-	722
	545	1,326

NOTE 23:
CONTRIBUTED EQUITY

(a) Issued and paid up capital

Ordinary shares fully paid	166,533	160,838
	166,533	160,838

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

(b) Movement in shares on issue

	2015		2014	
	No. of shares	$'000	No. of shares	$'000
Beginning of the financial year	278,840,492	160,838	278,155,477	172,250
Share buy-backs	-	-	(132,583)	(117)
Issued shares	4,950,328	5,653	300,000	225
Tax exempt share plan	358,019	150	517,598	-
Capital distribution	-	-	-	(11,159)
Capital raising costs deferred tax asset	-	(108)	-	(361)
Balance at the end of the year	284,148,839	166,533	278,840,492	160,838

(c) Employee Share Scheme

The Company, in accordance with its Executive Remuneration Framework, continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the companies.

(d) Options

All employees, including Directors, may be issued options at the discretion of the Nomination and Remuneration Committee.

The options are issued for $nil consideration and the strike price and vesting period are set by the Nomination and Remuneration Committee. The options are exercisable in two or three tranches and have an expiry period of up to three years. The total amount of issued options cannot exceed 5% of share capital. The options are not listed on the ASX and any Director issued options are approved at the Annual General Meeting.

During the 2015 financial year there were no additional options granted to employees or Directors.

Options on issue 30 June 2015:

Issued date	Expiry date	Exercise price	Opening 01/07/2014	Issued	Exercised	Lapsed	Closing 30/06/2015
LTIP Issue 3	15/09/2014	$0.71	450,000	-	(450,000)	-	-
			450,000	**-**	**(450,000)**	**-**	**-**

Options on issue 30 June 2014:

Issued date	Expiry date	Exercise price*	Opening 01/07/2013	Issued	Exercised	Lapsed	Closing 30/06/2014
LTIP Issue 1 and 2	01/01/2014	$1.18 - $1.23	1,020,000	-	-	(1,020,000)	-
LTIP Issue 3	15/09/2014	$0.71	750,000	-	(300,000)	-	450,000
			1,770,000	**-**	**(300,000)**	**(1,020,000)**	**450,000**

(e) Performance Rights

Each performance right represents an option to receive one ordinary share subject to the satisfaction or waiver of the relevant vesting conditions. No consideration is payable by the participants for the grant of the performance rights and no consideration is to be paid on the exercise of the performance rights.

Performance rights on issue at 30 June 2015:

Issued Date	Performance Hurdle Date	Opening 01/07/2014	Issued	Lapsed	Vested	Closing 30/06/2015
LTIP Issue 5 & 7	30/11/2014	4,600,327	-	(99,999)	(4,500,328)	-
LTIP Issue 5 & 7	30/11/2015	5,859,333	857,329	(936,381)	-	5,780,281
LTIP Issue 5 & 7	30/11/2016	4,100,332	843,717	(664,666)	-	4,279,383
LTIP Issue 6	01/08/2015	606,061	-	-	-	606,061
LTIP Issue 8	30/11/2015	-	57,143	-	-	57,143
LTIP Issue 8	30/11/2016	-	564,945	-	-	564,945
MAIP	1/07/2017	-	1,779,731	-	-	1,779,731
Total		**15,166,053**	**4,102,865**	**(1,701,046)**	**(4,500,328)**	**13,067,544**

Performance rights on issue at 30 June 2014:

Issued Date	Performance Hurdle Date	Opening 01/07/2013	Issued	Lapsed	Vested	Closing 30/06/2014
LTIP Issue 5 & 7	30/11/2014	4,600,327	-	-	-	4,600,327
LTIP Issue 5 & 7	30/11/2015	5,859,333	-	-	-	5,859,333
LTIP Issue 5 & 7	30/11/2016	4,100,332	-	-	-	4,100,332
LTIP Issue 6	01/08/2015	606,061	-	-	-	606,061
LTIP Issue 4	30/06/2014	229,213	-	(229,213)	-	-
Total		**15,395,266**	**-**	**(229,213)**	**-**	**15,166,053**

	Notes	Consolidated entity 2015 $'000	2014 $'000
NOTE 24: RESERVES AND RETAINED EARNINGS			
Share-based payment reserve	24(a)	2,065	3,466
Foreign currency translation reserve	24(b)	3,129	5,412
Cash flow hedge reserve	24(c)	(2,047)	213
		3,147	9,091
Retained earnings	24(d)	70,768	82,527

(a) Share-based payment reserve

(i) Nature and purpose of reserve

This reserve is used to record the value of equity benefit provided to employee and directors as part of their remuneration.

(ii) Movements in reserve

	2015 $'000	2014 $'000
Balance at beginning of year	3,466	654
Equity settled transactions	(1,401)	2,812
Balance at end of year	2,065	3,466

(b) Foreign currency translation reserve

(i) Nature and purpose of reserve

This reserve is used to record the exchange differences arising on translation of a foreign entity.

(ii) Movements in reserve

	2015 $'000	2014 $'000
Balance at beginning of year	5,412	1,894
Exchange differences on translation of foreign operations	(2,283)	3,518
Balance at end of year	3,129	5,412

(c) Cash flow hedge reserve

(i) Nature and purpose of reserve

This reserve is used to record the effective portion of changes in the value of hedging derivatives.

(ii) Movements in reserve

	2015 $'000	2014 $'000
Balance at beginning of year	213	587
Net gains/(losses) taken to equity	(2,260)	(374)
Net gains/(losses) transferred to profit and loss	-	-
Balance at end of year	(2,047)	213

(d) Retained Earnings

	Notes	2015 $'000	2014 $'000
Balance at beginning of year		82,527	71,402
Net profit attributable to members		13,572	11,125
Total available for appropriation		96,099	82,527
Dividends paid	10	(25,331)	-
Balance at end of year		70,768	82,527

	Consolidated entity	
	2015	2014
	$'000	$'000

NOTE 25:
CASHFLOW INFORMATION

(a) Reconciliation of cash flow from operations with profit after income tax		
Profit from ordinary activities after income tax	14,313	12,087
Non-cash items		
Profit/(loss) on sales of assets	(15)	(19)
Amortisation of intangibles	3,143	2,631
Depreciation of property, plant and equipment	1,375	2,530
Share based transactions	3,804	2,812
Cash flow hedge	(745)	(374)
	7,562	7,580
(Increase)/decrease in assets		
Receivables	(2,691)	(3,780)
Prepayments	(28)	(3,073)
Inventories	(631)	(5,695)
Deferred tax assets	1,182	940
Lease receivables	(41,774)	(45,979)
Increase/(decrease) in liabilities		
Payables	801	4,421
Provisions	(610)	(113)
Deferred tax liabilities	3,435	-
Tax provision	(810)	(288)
Interest paid/(received)	-	906
Net cash flow from operating activities	(19,251)	(32,994)
(b) Reconciliation of cash		
Cash balance comprises:		
Cash at bank	24,754	27,268

NOTE 25:
CASHFLOW INFORMATION (cont.)

(c) Credit stand-by arrangements and loan facilities

	Consolidated entity 2015 $'000	Consolidated entity 2014 $'000
Facilities		
Multi-function facility (i)	45,000	35,000
Securitisation and lease finance facilities - NZ (ii) & (iii)	115,105	125,456
Securitisation and lease finance facilities – Australia (iv) & (v)	125,000	80,000
	285,105	240,456
Facilities Used		
Multi-function facility	9,400	820
Securitisation and lease finance facility - NZ	93,994	94,024
Securitisation and lease finance facilities – Australia	93,771	44,309
	197,165	139,153
Facilities Unused		
Multi-function facility	35,600	34,180
Securitisation and lease finance facility - NZ	21,111	31,432
Securitisation and lease finance facilities – Australia	31,229	35,691
	87,940	101,303

(i) The Company has a multi-function facility with the CBA (Australian Senior Debt Facility). Debt facilities include bank bills, business loans, overdraft, equipment finance and contingent liabilities and are available to all members of the consolidated group including the parent. The multi-function facility includes an amount of $1.5m in relation to various guarantees and security deposits provided by the bank on behalf of the Company. This facility matures on 1 January 2017. A temporary increase in the facility limit to $45m was negotiated during the period reverting to $35m on 31 January 2016.

(ii) The Group's Westpac Banking Corporation New Zealand funding facility, securitised by finance lease receivables ("New Zealand Securitisation Facility"), matures on 15 April 2019. The facility limit is NZ$95m.

(iii) The Group's CBA New Zealand Cash Advances Facility, secured by finance lease receivables, matures on 24 January 2017. The facility limit is NZ$35m.

(iv) The Group's Westpac Banking Corporation Australia funding facility securitised by finance lease receivables ("Australian Securitisation Facility"), matures on 10 February 2019. The facility limit was increased to $100m to support the ongoing growth in the Australian lease book.

(v) The Group's CBA Senior Facility, secured by finance lease receivables, matures on 23 January 2017. The facility limit was increased to $25m to support the ongoing growth in the Australian lease book.

	Notes	Consolidated entity 2015 $'000	2014 $'000

NOTE 26:
LEASE COMMITMENTS

Lease expenditure commitments

Operating Leases (non-cancellable)

(i) Operating leases relate to the lease of land, buildings, vehicles and office computer equipment

(ii) Minimum lease payments

	Notes	2015 $'000	2014 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
No later than one year		5,176	4,815
Later than one year but not later than five years		9,496	8,701
Later than five years		4	124
		14,676	13,640

NOTE 27:
BUSINESS COMBINATIONS

During the year the Company purchased from Capital Finance Limited a business comprising lease receivables for total purchase consideration of $12m.

The provisional acquisition accounting had the following effect on the consolidated entity's assets and liabilities:

	2015 $'000
Assets	
Finance lease receivables	10,419
Collective Provision	(300)
Specific Provision	(42)
Total Assets	10,077
Net identifiable assets and liabilities	10,077
Goodwill and other intangibles on acquisition	1,429
Total Consideration	11,506
Net Cash outflow	11,506

NOTE 28:
RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

The key management personnel compensation comprised:

	Consolidated entity	
	2015	2014
	In dollars	In dollars
Short-term employee benefits	2,783,190	3,249,404
Post-employment benefits	97,625	110,992
Termination benefits	90,191	-
Other long-term benefits	2,052,968	1,932,330
	5,023,974	5,292,726

(b) Individual directors and executives compensation disclosures

Information regarding individual Directors and executive's compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

(c) Loans to related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant year.

	Consolidated entity 2015 $	Consolidated entity 2014 $
Loans made by CSG Limited to controlled entities under normal terms and conditions. The aggregate amounts receivable/(payable) from controlled entities by the parent entity at the end of the reporting period were :	26,496,916	49,459,500

(d) Movements in Shares

The number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

30 June 2015:

	Held at 1 July 2014	Purchases	Received on Exercise of Performance Rights	Sales	Ceased as a KMP	Held at 30 June 2015
DIRECTORS						
Mr. Thomas Cowan	19,924,622	-	-	-	-	19,924,622
Mr. Philip Bullock	37,927	22,073	-	-	-	60,000
Mr. Ian Kew[(i)]	69,730	-	-	-	(69,730)	-
Mr. Stephen Anstice	-	140,000	-	-	-	140,000
Mr. Mark Phillips	-	60,000	-	-	-	60,000
Ms. Robin Low	-	46,362	-	-	-	46,362
KEY MANAGEMENT						
Ms. Julie-Ann Kerin	-	-	1,333,333	(1,200,000)	-	133,333
Mr. Neil Lynch	-	-	533,333	(500,000)	-	33,333
Mr. Declan Ramsay	-	-	266,667	(266,667)	-	-
Mr. Warwick Beban	-	-	266,667	-	-	266,667
Mr. Stephen Birrell	-	-	533,333	(500,000)	-	33,333
Mr. Shailendra Singh[(ii)]	-	-	-	-	-	-
	20,032,279	268,435	2,933,333	(2,466,667)	(69,730)	20,697,650

[(i)] Mr. Kew resigned as a director and therefore ceased to be a KMP on 20 November 2014.

[(ii)] Commenced employed on 10 December 2014. Ceased employment on 12 August 2015.

NOTE 28:
RELATED PARTY DISCLOSURES (cont.)

30 June 2014:

	Held at 1 July 2013	Purchases	Received on Exercise of Options	Sales	Ceased as a KMP	Held at 30 June 2014
DIRECTORS						
Mr. Thomas Cowan	19,924,622	-	-	-	-	19,924,622
Mr. Philip Bullock	37,927	-	-	-	-	37,927
Mr. Ian Kew	69,730	-	-	-	-	69,730
	20,032,279	-	-	-	-	20,032,279

(e) Transactions with Key Management Personnel

The Group used the corporate advisory services of TDM Asset Management, a firm which Mr. Thomas Cowan is a partner of, during the year for the total amount of $17,500. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

During the financial year, the companies in the Group entered into agreements in respect of the purchase of print and technology products and services on normal commercial terms and conditions by related entities of the Directors.

(f) Group Entities

The consolidated financial statements include the financial statements of CSG Ltd and its controlled entities listed below:

	Former Name	Country of Incorporation	Ownership interest 2015 %	Ownership interest 2014 %
Parent Entity				
CSG Limited (i)		Australia		
Subsidiaries of CSG Limited:				
CSG Business Solutions (AUS) Pty Ltd (i)	CSG Communications Pty Ltd	Australia	100	100
CSG Finance Pty Ltd (i)		Australia	100	100
CSG Print Services NZ Limited (iii)		New Zealand	100	100
Anadex Pty Ltd ATF Anadex Trust (i),(ii)		Australia	100	100
Bexton Professional Pty Ltd (i), (ii)		Australia	100	100
Change Corporation Pty Ltd (i), (ii)		Australia	100	100
CSG Enterprise Solutions Pty Ltd (i)	CSG Enterprise Print Solutions Pty Ltd	Australia	100	100
A.C.N. 126 840 542 Pty Ltd (i), (ii)		Australia	100	100
CSG Education Pty Ltd (i), (ii)		Australia	100	100
Delexian Pty Ltd (i), (ii)		Australia	100	100
Aaromba Technologies Pty Ltd (i), (ii)		Australia	100	100
Subsidiary of Aaromba Technologies Pty Ltd:				
Aaromba Technologies WA Pty Ltd (i) (ii)		Australia	100	100
Subsidiaries of CSG Business Solutions (AUS) Pty Ltd:				
CSG Business Solutions (NT) Pty Ltd (i)	Connected Solutions Group Pty Ltd	Australia	100	100
CSG Print Services Pty Ltd (i)		Australia	100	100
CSG Business Solutions (Sunshine Coast) Pty Ltd (i)	Sunshine Coast Office Equipment Pty Ltd	Australia	100	100

	Former Name	Country of Incorporation	Ownership interest	
CSG Business Solutions (South Queensland) Pty Ltd (i)	Haloid Holdings Pty Ltd	Australia	100	100
CSG Business Solutions (North Queensland) Pty Ltd (i)	Seeakay Pty Ltd	Australia	100	100
Subsidiaries of CSG Enterprise Print Solutions Pty Ltd:				
CSG Enterprise Solutions (Singapore) Pte. Ltd		Singapore	100	100
Subsidiaries of CSG Finance Pty Ltd:				
CSG Finance (NZ) Limited (iii)	Leasing Solutions Limited	New Zealand	100	100
CSG Finance Australia Pty Ltd (i)		Australia	100	100
Subsidiaries of CSG Finance Australia Pty Ltd:				
CSG Finance Group Receivables Pty Ltd (i)		Australia	100	100
CSG Finance Australia Trust		Australia	100	100
Subsidiaries of CSG Print Services NZ Limited:				
CSG Business Solutions Limited (iii)	CSG Management Services Limited	New Zealand	100	100
Konica Minolta Business Solutions New Zealand Limited		New Zealand	90	90
Ubix Business Solutions Limited (iii)		New Zealand	100	100
Subsidiaries of CSG Finance (NZ) Limited:	Leasing Solutions Limited			
CSG Finance (NZ Facility 2) Limited (iii)	Onesource Finance Limited	New Zealand	100	100
CSG Finance (NZ Warehouse) Limited (iii)	Solutions Group Receivables Limited	New Zealand	100	100
CSG Finance New Zealand Trust		New Zealand	100	100

(i) CSG Limited and its Australian subsidiaries are part of a tax consolidated group.

(ii) Dormant company which historically held assets and liabilities for the Technology Solutions Division which was sold in 2012. Member's voluntary liquidation is currently underway.

(iii) Form part of a NZ tax consolidated group.

NOTE 29:
DEED OF CROSS GUARANTEE

CSG Limited and its Australian wholly owned subsidiaries (excluding CSG Finance Entities) are parties to a Deed of Cross Guarantee under which each company guarantees the debts of others.

By entering into the Deed, the participating wholly owned entities have been relieved of the requirements to prepare financial reports and Director's Report under the Class Order 98/1418 (as amended by Class Orders 98/2017, 00/0321 and 01/1087) issued by the Australian Securities and Investment Commission.

The above companies represent a 'Closed Group' for the purpose of the Class Order, and there are no other parties to the Deed of Cross Guarantee that are controlled by CSG Limited, that also represent the 'Extended Closed Group'. Those wholly owned subsidiaries which are included in the Deed of Cross Guarantee are exempt from preparing a financial report and Director's Report under the terms of ASIC Class Order 98/1418 and the Corporations Act 2001.

A consolidated Income Statement, consolidated Statement of Comprehensive Income and consolidated Statement of Financial Position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee is set out as follows:

	2015 $'000	2014 $'000
Income Statement		
Revenue and income	102,331	84,004
Operating expenses	(95,462)	(85,797)
Profit/(loss) before income tax expense	**6,869**	**(1,793)**
Income tax expense	(3,446)	552
Net profit/(loss)	**3,423**	**(2,345)**
Statement of Other Comprehensive Income and Retained Earnings		
Profit/(loss) for the period	3,423	(2,345)
Other comprehensive income	-	-
Total comprehensive income for the period	**3,423**	**(2,345)**
Retained earnings at the beginning of the year	66,128	68,473
Dividends distributed	(25,331)	-
Retained earnings at the end of the year	**44,220**	**66,128**

NOTE 29:
DEED OF CROSS GUARANTEE (cont.)

	2015 $'000	2014 $'000
Statement of Financial Position		
Current assets		
Cash and cash equivalents	-	3,102
Trade and other receivables	14,541	18,888
Inventories	23,045	21,827
Lease receivables	-	-
Other current assets	3,362	3,241
Total current assets	**40,948**	**47,058**
Non-current assets		
Lease receivables	-	-
Property, plant and equipment	1,337	1,011
Deferred tax assets	-	572
Intangible assets	28,793	27,990
Goodwill	68,484	68,484
Investment in subsidiaries	116,682	116,638
Total non-current assets	**215,296**	**214,695**
Total assets	**256,244**	**261,753**
Current liabilities		
Bank overdraft	2,038	-
Trade and other payables	26,109	26,030
Deferred income	95	435
Borrowings	9,400	674
Debt associated with lease receivables	-	-
Deferred tax liability	1,286	-
Provisions	1,874	783
Total current liabilities	**40,802**	**27,922**
Non-current liabilities		
Debt associated with lease receivables	-	-
Provisions	436	1,212
Total non-current liabilities	**436**	**1,212**
Total liabilities	**41,238**	**29,134**
Net assets	**215,006**	**232,619**
Equity		
Share capital	169,279	163,583
Reserves	1,507	2,908
Retained earnings	44,220	66,128
Total equity	**215,006**	**232,619**

	Consolidated entity	
	2015	2014
	$'000	$'000
NOTE 30: EARNINGS PER SHARE		
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Profit/(loss)	14,313	12,087
Weighted average number of ordinary shares used in calculating basic earnings per share	282,690,782	278,813,811
Effect of dilutive securities:		
Effect of performance rights and options issued	13,205,393	15,616,061
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	295,896,176	294,429,872

	Consolidated	
	2015	2014
	$	$
NOTE 31: AUDITORS REMUNERATION		
Auditors remuneration parent entity		
Amount received or due and receivable to KPMG:		
Statutory audits and reviews (excluding disbursements)	217,193	174,000
Other services (excl. disbursements)	98,659	53,700
	315,852	227,700
Auditors remuneration overseas subsidiaries		
Amount received or due and receivable to KPMG:		
Statutory audits and reviews (excluding disbursements)	131,604	140,893
Other services (excl. disbursements)	-	-
	131,604	140,893

NOTE 32:
SEGMENT INFORMATION

a) Description of Segments

Management has determined the operating segment based on reports reviewed by the Chief Executive Officer and the Group Executive (comprising the Chief Financial Officer and Group General Managers) for making strategic decisions. The Chief Executive Officer and the Group Executive monitor the business based on product/service factors and have identified the following reportable segments:

1. **Business Solutions**

   CSG Business Solutions provides the sale, support, service and financing of print and business technology equipment to customers across Australia and New Zealand. CSG Enterprise Solutions provides managed service based print and technology solutions for Tier 1 enterprise, education and government customers also in Australia and New Zealand. CSG Enterprise Solutions is still in its growth phase in terms of developing and building a pipeline of potential business and therefore will be grouped with Business Solutions for the purpose of segment reporting. .

   Management has determined that the Australian and New Zealand businesses are separate operating segments but due to their similarity in terms of product and service offerings in addition to the methods used to distribute products across both geographies these business units will be aggregated for the purposes of segment reporting.

2. **Finance Solutions**

   CSG Finance Solutions is a specialist service provider of lease and rental products for business technology assets sold and serviced by CSG in both Australia and New Zealand.

3. **Other**

   The remaining business operations/activities (including corporate office activities) are classified as 'Other' to facilitate reconciliation to Group results.

b) Segment Information

2015	Consolidated Business Solutions $'000	Finance $'000	Other $'000	Eliminations $'000	Total $'000
Segment revenue					
External segment revenue	199,223	24,251	816	-	224,290
Inter- segment revenue	-	-	287	(287)	-
Total	**199,223**	**24,251**	**1,103**	**(287)**	**224,290**
Segment result					
Interest revenue	874	-	52	(815)	111
Interest expense	293	246	4,021	(2,961)	1,599
Depreciation & amortisation	2,135	214	2,169	-	4,518
Total segment Profit/(loss) before income tax	26,422	7,650	(10,989)	(475)	22,608
Total Segment Assets (i)	200,152	268,128	208,645	(171,692)	505,233
Total Segment Liabilities (i)	53,943	192,498	5,047	-	251,488

2014	Consolidated Business Solutions $'000	Finance $'000	Other $'000	Eliminations $'000	Total $'000
Segment revenue					
External segment revenue	178,533	20,375	417	-	199,325
Inter-segment revenue	-	1,507	-	(1,507)	-
Total	**178,533**	**21,882**	**417**	**(1,507)**	**199,325**
Segment result					
Interest revenue	60	-	88	-	148
Interest expense	427	20	607	-	1,054
Depreciation & amortisation	2,709	650	1,802	-	5,161
Total segment Profit/(loss) before income tax	20,050	10,518	(11,246)	(1,507)	17,815
Total Segment Assets (i)	196,610	215,221	213,178	(170,664)	454,201
Total Segment Liabilities (i)	46,368	139,870	2,951	-	189,189

(i) Excludes loans to and from CSG Group entities (related parties).

c) Geographical Information

CSG's reporting segments provide sales, support, service and financing to more than 20,000 customers across Australia and New Zealand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

2015	Australia $'000	New Zealand $'000	Eliminations $'000	Total $'000
Revenue	110,359	114,218	(287)	224,290
Assets	400,932	275,993	(171,692)	505,233

2014	Australia $'000	New Zealand $'000	Eliminations $'000	Total $'000
Revenue	88,005	112,827	(1,507)	199,325
Assets	376,893	356,647	(279,339)	454,201

NOTE 33: SUBSEQUENT EVENTS

Unfranked dividends of 5 cents per share were declared and approved by the Directors on 17 August 2015 for a payment date of 8 September 2015.

On 16 August 2015, the Company executed an agreement to acquire Code Blue, an IT services company based in New Zealand, for total purchase consideration of $13.5m (NZ$15m). The consideration will be paid as $4.5m (NZ$5m) in cash on completion, and the balance of $9m (NZ$10m) subject to meeting agreed earn-out objectives over the following two years. Up to $3.3m (NZ$3.7m) could be paid by way of the issue of new shares, with the balance in cash, as part of the deferred purchase consideration. Both the purchase price and value of shares issued are subject to completion adjustments.

The financial effect of these transactions have not been brought to account in the financial statements for the year ended 30 June 2015.

NOTE 34:
PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ended 30 June 2015, the parent company of the consolidated entity was CSG Limited. A summary of the financial performance and financial position of the parent entity is detailed below:

	Parent Entity	
	2015	2014
	$'000	$'000
Result of the parent entity		
Profit/(loss) for the year	(8,246)	(7,354)
Total profit/(loss) and other comprehensive income for the year	(8,246)	(7,354)
Financial position of parent entity at year end		
Current assets	26,008	49,245
Total assets	206,000	227,041
Current Liabilities	10,425	2,951
Total liabilities	14,688	6,167
Total equity of the parent entity comprising of:		
Issued capital	166,533	160,838
Reserves	1,228	2,908
Retained earnings	23,551	57,128
Total equity	191,313	220,874

NOTE 35:
CONTINGENT LIABILITIES

As previously disclosed, the Company has been involved in a dispute regarding earn out payments under a historical purchase agreement in relation to the purchase of the Cinglevue business in 2008. A further amended statement of claim was provided in October 2014. The Company has filed its amended defence. The Company's position is that it will vigorously defend the claim. On the basis of present information, it has made no provision for any loss or damage in relation to this claim.

27. Directors' Declaration

CSG LIMITED AND CONTROLLED ENTITIES

DIRECTORS DECLARATION

The Directors declare that the financial statements and notes set out on pages 27 to 77 in accordance with the Corporations Act 2001:

(a) comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and

(b) give a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of their performance as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that CSG Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2015.

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

Ms Julie-Ann Kerin
Director

Sydney
17 August 2015

Independent auditor's report to the members of CSG Limited

Report on the financial report

We have audited the accompanying financial report of CSG Limited (the company), which comprises the consolidated Statement of Financial Position as at 30 June 2015, and Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, notes 1 to 35 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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*.

Auditor's opinion

In our opinion:

(a) The financial report of the Group is 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 2015 and of its performance for the year ended on that date; and

   (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) The financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in Sections 6 to 14 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of CSG Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Scott Guse

Scott Guse
Partner

Sydney
17 August 2015