Sirius

2010 Annual Report

Growth despite adversity

Chairman's Message to Shareholders

Increasing shareholders wealth is my number one priority

During my first full year as Chairman of your board I have placed continued focus on my peers about the importance of striving for continued growth to achieve both long and short term profitability. We have not lost sight of the fact that Sirius lacks size and scale, action is constantly being taken to mitigate these risks in order to justify our ASX listing Status.

Compared to previous years the results in the last 12 months have shown considerable improvement and our core business InfoMaster has achieved substantial growth. However, I wish to convey a message to you that we still consider the results disappointing. So we are taking constant action to improve the results and are considering a number of strategic acquisitions and transactions to bolster the Group's asset base to ensure ongoing profitability is sustained and value is created for all shareholders.

Your Company has many talented, efficient and dedicated employees, who, in numerous ways endeavour to succeed for the benefit of the shareholders. Over the next year I intend to introduce new structures, methods and values to the Company, which I trust will ensure ongoing improvement. Increasing shareholders values are my number one priority, within a rich environment acknowledging all stakeholders interest. Subsequently, there will be a continued strong move towards implementing results driven company culture which should place Sirius on a constant path of profitability.

Managing Director's Letter to Shareholders

I am pleased to present the Sirius Annual Report for 2009/10

There are essentially two important messages that we want to impart to shareholders about the financial year just finished and the year ahead. Firstly, our strategy has not changed, despite some appearances that we have not advanced it as much as anticipated. (We will refer to this later.) Secondly, our financial performance and strength is continuing to improve, and this clearly enhances our ability to execute the company's forward-looking strategy. This improved financial performance has, moreover, continued through and beyond the Global Financial Crisis-related international and domestic economic downturn.

Highlights

- InfoMaster revenues up by 40.1% compared with the same period in the previous year.
- Group revenues up by 6.1% compared with the same period in the previous year.
- The Group is profitable and cash flow-positive from operations.
- InfoMaster extended sales to more than 80 councils across Australia and New Zealand and three State governments.
- InfoMaster was awarded three new State government contracts in Queensland and South Australia, and extended the Company's reach into northern Queensland.
- A South Australian office for InfoMaster, in Adelaide, was re-established.
- Successful completion of non-renounceable rights issue to raise $0.5 million, fully underwritten.
- Early retirement of bank debt and repayment of all convertible loans. Net cash holding increased to $0.44m.
- Ongoing discussions with acquisition and merger targets – all profitable as per the previously iterated acquisition criteria.
- In July 2010 (post-balance date) InfoMaster was awarded the contract for the Development, Enhancement and Implementation of End-to-End Electronic Development Assessment (eDA) Processes to the Local Government Association of Tasmania (LGAT).

Good results don't come easily... We've witnessed unprecedented financial times, and weathered the storm. Our goals remain, and our vision is constant.

Awards and recognition[1]

Industry awards are highly valued by Sirius because they are customer-driven, and because the company has won its share of awards purely on the strength of customer recommendations. Two awards of particular note during the past financial years included:

- The Planning Institute of Australia (Western Australia Division) awarded the City of Cockburn the "Award for Excellence" in recognition of its on-line planning system (see case study, page 12). The use of MasterView provides a simple tool for land-use inquiries 24 hours a day, seven days a week without the need for in-person visits to the council offices.
- In July 2010, InfoMaster's flagship product, MasterView, secured global recognition of our client – Linda Shave from the City of Ryde in NSW – by the US-based *Computerworld* magazine Honours Program. The City of Ryde was chosen as a finalist in the world-renowned awards program, and also became one of few Australian organisations to have achieved Laureate status during the past two decades (see case study, page 13).

1. For further information please use the following web link: http://www.infomaster.com.au/awards.aspx

Managing Director's Letter to Shareholders

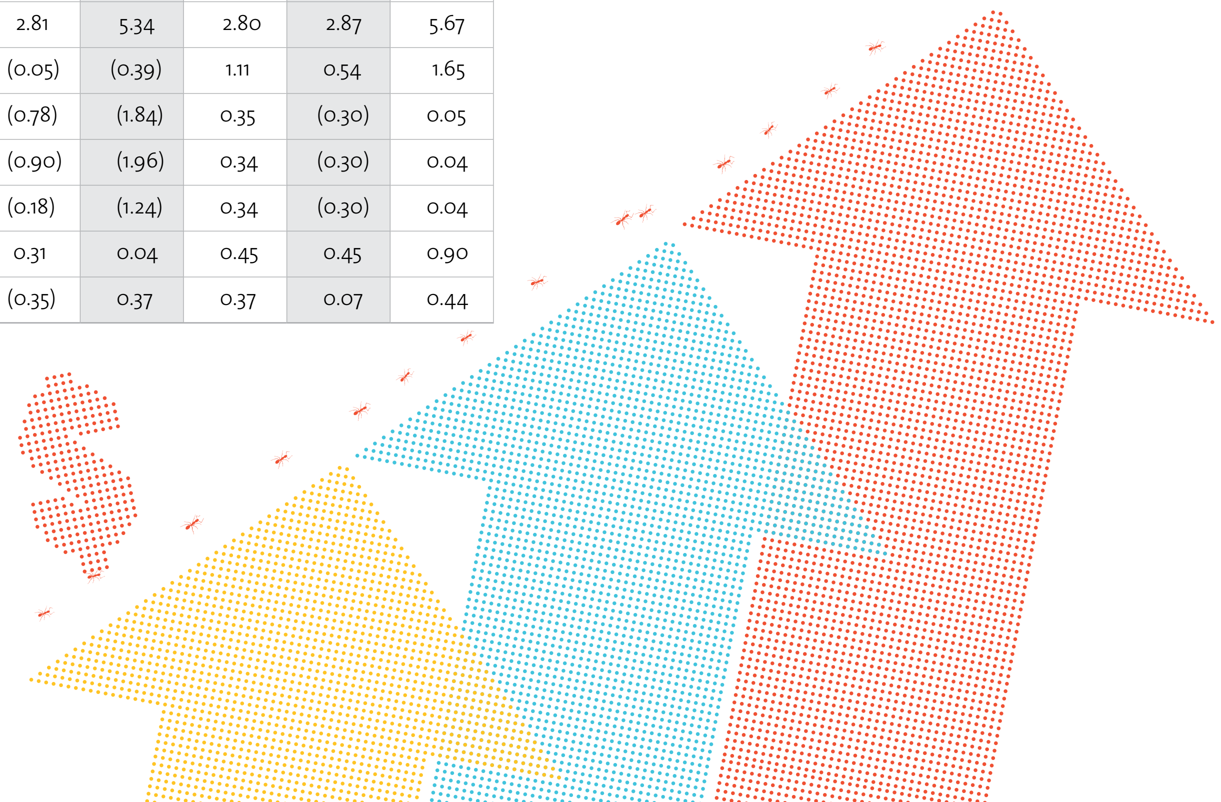
The results speak for themselves

Financial strength continues to improve

Towards the end of 2008/09, Sirius pushed through the profit barrier to emerge in the black. At the same time, we recorded a positive operating cash flow, and we repaid all of our outstanding debt. Our steady improvement in profit, cash flow and gearing is summarised in the table opposite.

2009/10 financial results ($ million)

	2008/09			2009/10		
	First half	Second half	Year	First half	Second half	Year
Revenues	2.53	2.81	5.34	2.80	2.87	5.67
EBITDA	(0.34)	(0.05)	(0.39)	1.11	0.54	1.65
EBIT	(1.06)	(0.78)	(1.84)	0.35	(0.30)	0.05
Profit before tax	(1.06)	(0.90)	(1.96)	0.34	(0.30)	0.04
Profit after tax	(1.06)	(0.18)	(1.24)	0.34	(0.30)	0.04
Operating cash flow	(0.27)	0.31	0.04	0.45	0.45	0.90
Net cash (end of period)	0.72	(0.35)	0.37	0.37	0.07	0.44



Sirius Group structure – two business divisions, led by InfoMaster

The corporate structure continues to comprise two business units, although we are looking for additions to this "suite". By far the largest business is InfoMaster, which was acquired in 2007/08 and now generates around three-quarters of Group revenues and profit (EBITDA before overheads). It is also the current growth engine for Sirius and the only business in which we own the intellectual property, or IP. In 2009/10, InfoMaster's revenue increased by 40.1% to $4.42 million while EBIT grew from $0.24 million to $1.24 million.

Our second business, Sirius Managed Solutions (SMS), in contrast to InfoMaster, is a niche operation that is profitable but with limited growth and sale prospects.

SMS is a mature business with $1.1 million in revenue in 2009/10 and EBIT of $0.45 million. Both revenue and profit fell during the year and this trend is expected to continue into 2010/11. We are nonetheless satisfied with its earnings and cash flow performance relative to capital and management time invested. SMS has two elemental parts to it business, namely:

- A Canberra-based labour hire business (switchboard operator services).
- A Melbourne-based facsimile (faxing) and SMS solutions business.

Managing Director's Letter to Shareholders

Shaping our own destiny to add real size and value

The strategy – merger or acquisition still firmly on the table

We have previously canvassed the subject of our relatively small scale for an ASX-listed company, and our planned acquisition-led growth strategy. Some shareholders might, arguably, think that this is an ageing mantra and that something new needs to be said and some formative action taken in relation to this situation. To this end, during the past year we assessed a number of acquisition and potential merger candidates in the IT&T sector. And we came extremely close to striking a deal and finalising a transaction with two of these. The fact that a binding, watertight agreement ultimately was not reached reflected our clear judgement that it was not the "right fit" and – more importantly – that the ascribed revenue and earnings values were insufficient for shareholders. In one case in which we were in earnest talks with a company, its financial performance deteriorated substantially during the year and it therefore simply did not make sense to pursue discussions.

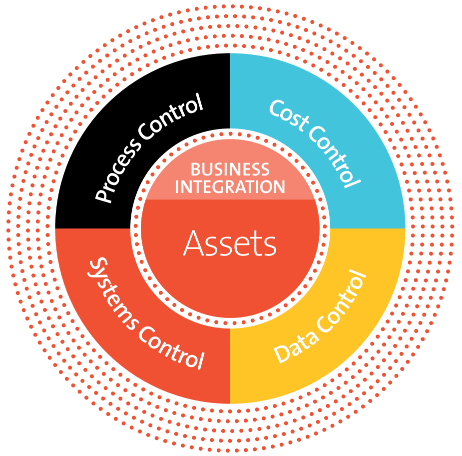
Nevertheless, these events have not stopped us continuing discussions with interested and relevant parties and companies. In fact, we continue to look for partners and/or acquisitions that can add real size and value.

We are not, however, faced with a pressing need to rush into any ill-considered business marriage. Moreover, in the partnering stakes our attractiveness continues to grow as our financial strength improves. As time progresses we are in a stronger position to shape our own corporate destiny and thereby our resultant revenues and net profit.

We've survived the difficult times – and we've grown

AssetMaster
Delivering on the infrastructure asset management challenges

AssetMaster is a comprehensive "asset management system" that allows data integration from virtually unlimited sources, customisable to each customer's requirements. It helps reduce costs, minimise risk and increase service delivery responsiveness and revenue. Asset management involves the whole lifecycle of an asset from purchase to retirement or disposal. AssetMaster gives a clear picture of where cost savings can be made and can help reduce the total cost of ownership. It includes features such as financial, spatial, business intelligence analytics and predictive modeling – that have been overlooked in many other asset management systems. It also links to other related services such as lease management, warranty and maintenance. Asset Master's capabilities maximise the lifetime value of complex assets and closely aligns them with the overall business strategy.



Managing Director's Letter to Shareholders

MasterView
A dashboard interface

MasterView is a software solution that provides a single view of information sourced from a number of different databases. MasterView manages reports and displays this necessary information in any number of user-friendly ways. It aggregates data from various data sources on to one easy-to-read screen or dashboard and eliminates the need for users to understand the complexity of individual applications, as data is neatly packaged into a single customer view. Primarily (but not solely) focused at local government. Rather than integrating data, MasterView aggregates information (property, documents, assets, rates, financial and GIS/spatial) into a browser/dashboard with a common look and feel via inter-connected topical tabs. Information is available 24 hours a day through a web browser, providing strategic decision support and knowledge management to all users.

Internally, applications are transparently integrated using MasterView technology, providing complex reporting capabilities in an easy-to-read format. External users can also access data through a secure interface. For example, local government provides development application information to their citizens using the MasterView DA Tracking module, eliminating the need for any phone call or visit to the council. Data may be appropriately packaged to suit individual requirements.

We're confident about the way ahead

Managing Director's Letter to Shareholders

Conveying what consumer seek – certainty, transparency and accountability

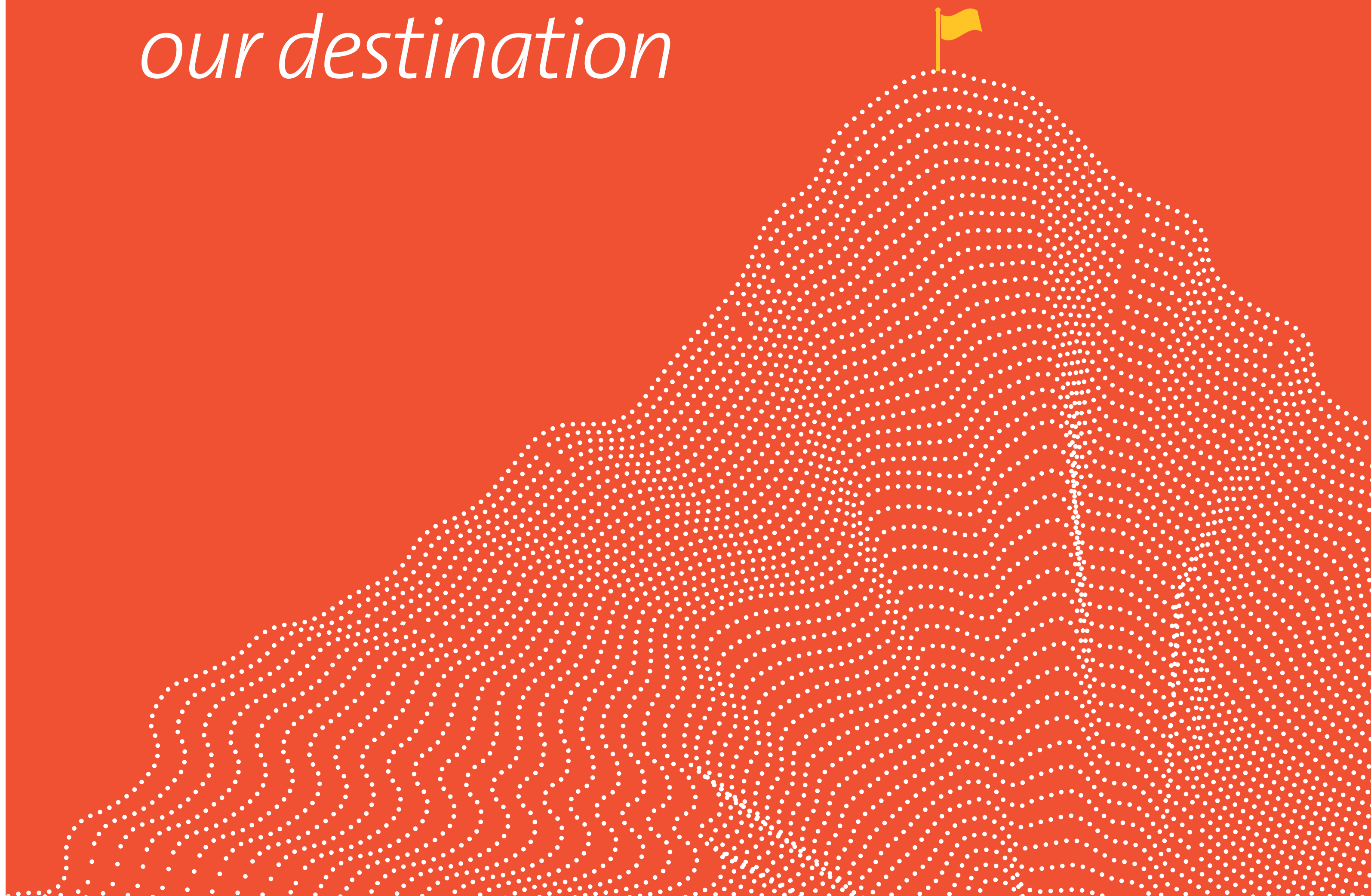
MasterPlan

The Complete E-Planning Solution. Enquire, Apply, Lodge, Assess, Track

MasterPlan demystifies the complex planning and development process by only presenting, via the internet, relevant information on the type of land use being proposed on a specific property. MasterPlan conveys exactly what consumers of planning information are seeking – certainty, transparency and accountability, from initial development proposal, to electronic assessment and electronic lodgement. Putting together a development application can be an expensive and stressful experience, particularly for novice applicants. The MasterPlan suite is made up of four inter-related modules; MasterPlan Enquirer, MasterPlan Self Assessor, MasterPlan Applicant and MasterPlan Assessor.

Enquirer delivers only the controls that apply to a specific development on a particular property – enabling more accurate development applications. Self Assessor builds on from the Enquirer process allowing a user to work through all the related issues associated with a simple planning application. Applicant provides a pre-populated electronic lodgement environment that incorporates all of the controls and conditions that apply to a proposed development. These are generated from the Enquirer process seamlessly for the user and ensures that a well made/complete application is lodged by the applicant. Assessor allows for council assessment officers to assess applications online using controls generated from the Enquirer process. It means applications are assessed consistently and efficiently every time, with only the relevant application planning controls being displayed. Integrated with the Applicant module, council planners are provided with all the relevant information related to the application – reports to council are automatically produced as part of the assessment process.

We won't rest until we've reached our destination



Case Studies

On-line access to most – if not all – required planning data and information

City of Cockburn, Perth, Western Australia

Cockburn is a major coastal city in Western Australia, situated 22 kilometres south of Perth and eight kilometres south of Fremantle. It is an expanding community with a population increasing by 3% annually, with associated pressures on land use, residential and commercial development, and infrastructure. The City of Cockburn won recognition at the 2009 Awards for Planning Excellence presented by the WA Division of the Planning Institute of Australasia, for three of its projects, one of which was its online planning system provided via Sirius's InfoMaster. The key objectives for the city, as for many other similar councils, were simply to:

- significantly reduce its manual paper handling and routine telephone responses to inquiries;
- make the tracking of planning applications by users much easier and reduce their respective decision-making times; and
- enhance the transparency of its planning schemes and requirements.

The e-planning solution provided via InfoMaster for the City of Cockburn and its ratepayers, residents and developers (visit: cockburn.wa.gov.au/planning_online) included the following:

- MasterPlan Editor (council access) – the internal database that stores all requisite information, including details of its planning schemes, types of development, levels of development permitted, and conditions of approval;
- MasterPlan Enquirer (public access) – allowing developers access the council's website 24 hours a day, seven days a week to submit property details and obtain necessary information about planning schemes;
- Master Plan Applicant (public access) – allowing developers to make online applications; and
- Master plan Assessor (public access) – providing for online assessment of applications.

As a result of the council providing these online solutions, potential and actual developers of residential and commercial property are now able to access online most – if not all – of the planning information and data they need.

> “The city's council won recognition at the 2009 Awards for Planning Excellence presented by the WA Division of the Planning Institute of Australasia, for three of its projects, one of which was its online planning system provided via Sirius's InfoMaster.”

City of Ryde, Sydney, NSW – global recognition

Ryde lies in the central northern part of the Sydney metropolitan area, about 12 kilometres from the CBD.

In July 2010, Sirius reported that the City of Ryde's application of the InfoMaster MasterView technology had been recognised by the US-based *Computerworld* magazine's Honours Program for its work on document and records management. The City of Ryde was not only chosen as a finalist in the world-renowned awards program, but also became one of few Australian organisations to have achieved Laureate status during the past two decades.

City of Ryde's Information, Integration & Compliance Manager, Linda Shave, said that having the ability to access a single view of information assets enabled real-time access to customer information. This in turn: (a) helped to enhance data accuracy; and (b) substantively improve client community services because employees were able to make more rapid, better-informed decisions.

"By using InfoMaster we have put all of our business tools into virtual space," Shave said. "In IT speak it's a 'virtual cloud' housing all of our data, processes and business tools."

Via the use of InfoMaster, the City of Ryde claims it is now able to inquire about, track, report on and budget for all business activities in real time, and respond more rapidly to "e-discovery" requests under the *Australian Government Information Public Access Act* (GIPA), previously not possible under its disconnected paper-based system. While the city is not yet paperless, it has advanced much closer to achieving this goal.

> “By using InfoMaster we have put all of our business tools into virtual space...”

Case Studies
Vital capabilities, skills and tools to manage assets and information systems

Queensland Transport
and Main Roads

The Queensland Department of Transport & Main Roads required a robust asset-management solution to ensure its current – and future – infrastructure could be managed effectively as it expanded.

For the department, with a workforce of more than 10,000 people and managing Queensland's 33,000 kilometres of State-controlled road networks, 6500 bridges and major culverts, it was vital to have the capabilities, skills and tools to manage transport modelling, engineering, finance, alliances and information systems.

The department's pressing need was to be able to better manage maintenance of its assets that include light poles, traffic signal controllers, webcams and closed-circuit television cameras.

So it sought a scaleable, proven application that could deliver a comprehensive view of the various asset types right across the enterprise. Accurate information was needed on the number, condition and location of these assets. Scheduling of inspections and a facility to record detailed data on the condition of assets was mandatory. And the application needed the ability to generate work orders or contractor requests and record progress through to completion.

Paramount to achieving the overall reduction in costs required by the department, was the operational and strategic management monitoring functionality of AssetMaster. This is a key feature of the software's applications.

The AssetMaster solution provided the department with a "life-cycle approach" for its assets and now records all details from delivery and deployment through to retirement and disposal. It has unique features that capture a varied and diverse range of assets, coupled with spatial data for decision support, predictive asset planning and easy integration with lease, warranty and maintenance services – critical functionality often overlooked by competitors.

Some of the key factors that led the department to select AssetMaster were the ability to: manage a wide variety and geographically dispersed set of assets; interact with the electronic Traffic Management Systems which control traffic signals and fault reporting; provide alarms to ensure periodic maintenance is carried out; interface with existing complex systems; and provide varying levels of security access for the users and generate both a series of standard and ad hoc reports.

Susan McLaws, Project Manager for the Road System Information Program, said: "The software will assist the Department of Transport & Main Roads in the management of risk – including environmental risks – asset works, scheduled maintenance and performance monitoring as well as providing a continuing record of appropriate technical standards and remediation history.

"It will also aid the long-term development of asset and financial management strategies and will directly support the achievement of the department's strategic priorities aligned with Queensland Government objectives in *Toward Q2: Tomorrow's Queensland.*"

The department now has the capability to generate accounting reports for varying types of assets within geographically defined boundaries. Values of buildings can be compared in different regions and similar individual items in dispersed areas can be monitored for cost escalation due to an increase in regional maintenance.

" The AssetMaster solution provided the department with a "*life-cycle approach*" for its assets and now records all details from delivery and deployment through to retirement and disposal. "

Our Board & Executive team

Keith Goss

Non-Executive Chairman
(Age 57)

Keith joined the Board of Sirius in August 2007 as a Non-Executive Director and in March 2009 was appointed to the position of Chairman. Keith has a successful entrepreneurial background, having had extensive experience in Finance, Insurance and Investment. He founded KMG Finance Pty Ltd and Link Insurance Brokers Pty Ltd in 1989 , the latter providing the foundation for KEY Insurance Company Pty Ltd that he founded in 1997. KEY Insurance Company was acquired by Australian Unity in 2001.

Francesco (Frank) Licciardello

Managing Director/Company Secretary
(Age 37)

Frank joined Sirius in March 2006 as Chief Financial Officer/Chief Operating Officer. In August 2006 he was appointed CEO of the Group and in March 2007 Frank was appointed Managing Director. Frank has been involved in the IT&T sector for a decade, having held executive positions with both public and private companies globally. He has worked with established vendors and resellers as well as with technology companies in their infancy.

Arthur Lagos

Non-Executive Director
(Age 50)

Arthur joined the Board of Sirius in February 2006 and is a member of the Audit Committee and the Remuneration and Nomination Committee. Arthur is one of the original founding members of Sirius and has a broad knowledge of the IT and telecommunications industry. Arthur has an entrepreneurial business background, a track record in profit growth, customer satisfaction and improving business efficiency, and he owns and operates a successful IT services company.

Geoff Reeves

General Manager – InfoMaster
(Age 49)

Geoff joined InfoMaster in 2005 as the Business Development Manager. In 2006, Geoff was promoted to National Client Services Manager and in 2007 to General Manager. Geoff has been involved with the IT & T sector for over 20 years, holding senior management positions in Local Government, Chartered Accounting and the software industry.

Corporate Governance and Board Practices

"Further information regarding our corporate governance and Board practices can be found at our website, ***www.sirius.com.au***"

Francesco (Frank) Licciardello
ASCPA MAICD
Company Secretary
(Age 37)

Frank was appointed Company Secretary in August 2006. Mr Peter Torre was Joint Company Secretary until his resignation on 4th March 2010. In addition to Frank's CEO and Managing Director duties Frank has also the responsibility of ensuring that the Sirius Group complies with the *Corporations Act 2001* and the ASX Listing Rules.

The Sirius Board aims for best practice in the area of corporate governance. Our main corporate governance and Board practices in place during fiscal year 2010 are described in this section and, where appropriate, elsewhere in our annual report. Further information regarding our corporate governance and Board practices can be found at our website, www.sirius.com.au

Sirius complies, within the limits of the Group's size and resources, with the ASX Corporate Governance Council's (the Council) "Corporate Governance Principles and Recommendations". These provisions require listed companies to report on their main corporate governance practices and require a company to highlight any areas of departure from the Recommendations of the Council and explain that departure.

Principle 1

Lay solid foundations for management and oversight.

Recommendation 1.1
Formalise and disclose the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Recommendation 1.2
Companies should disclose the process for evaluating the performance of senior executives.

The Board of Directors has been charged by members to oversee the affairs of the Group to ensure that they are conducted appropriately and in the interests of all members. The Board defines the strategic goals and objectives of the Group, as well as broad issues of policy, and establishes an appropriate framework of corporate governance within which Board members and management must operate.

The Board is proactively involved with management in key matters of strategic direction. The Board defines the strategic goals and objectives of the Group and the Board has delegated to the Managing Director responsibility for the formulation of strategy and management of the day-to-day operations and administration of the Group, consistent with the objectives and policies set down by the Board. The Managing Director is directly accountable to the Board for the performance of the management team.

The Non Executive Chairman of the Board and the Remuneration and Nomination Committee conducted a formal performance evaluation of the Board and its members on 26th August 2008 and the performance is evaluated constantly at monthly meetings. It is planned for a more formal process to be conducted again in the first half of the 2011 financial year. Each Director will submit self-assessment documents, in an ongoing review of Board and Committee policy and practices. In addition, each executive is subject to a six monthly performance review as part of his or her employment agreement.

The Remuneration and Nomination Committee have set down a formal process for the performance evaluation of the Managing Director. The long term and short term strategic business plan is set at the commencement of each financial year along with budgets and cash flow. The Managing Director is responsible for achieving these goals and the performance is measured monthly, half yearly and annually. The short term and long term incentives are set to encourage, motivate and reward exceptional performance of the Managing Director and the Group.

Corporate Governance and Board Practices

Principle 2

Structure the Board to add value.

Recommendation 2.1
A majority of the Board should be independent Directors.

Recommendation 2.2
The chair should be an independent Director.

Recommendation 2.3
The roles of chair and chief executive officer should not be exercised by the same individual.

Recommendation 2.4
The Board should establish a Nomination Committee.

Recommendation 2.5
Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

The Board currently comprises a Non Executive Chairman, (Keith Goss), Managing Director, (Francesco Licciardello), and Non-Executive Director (Arthur Lagos).

The majority of the Board comprises independent Directors and is chaired by an independent Director. The Board's present policy, taking into account the size of the Group, its operations and immediate history, is that the Board should possess an appropriate mix of relevant industry skills, perspective and/or other business experience. It will seek to comply with the Recommendations as set out under Recommendation 2.1 and 2,2 as the Group's operations develop further.

The Board may be increased to up to seven Directors. The evaluation of the skills of the Board is an ongoing exercise. The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of this Annual Report are set out in the Directors' Report.

Where a vacancy arises or it is considered appropriate to increase or decrease the size of the Board, the Remuneration and Nomination Committee, consisting of Keith Goss and Arthur Lagos proposes nominations at the first instance. All such nominations are reviewed and, if suitable, are ratified by the full Board. The Remuneration and Nomination Committee's Charter, as approved by the Board of Directors, is available on the Group's website in the Corporate Governance section.

The Directors' terms of appointment are governed by the Constitution of the Company. A Director appointed to fill a casual vacancy, or as an addition to the Board, only holds office until the next general meeting of members and must then retire. After providing for the foregoing, one-third of the remaining Directors (excluding an appointed Managing Director) must retire at each Annual General Meeting of members. The term of office held by each Director in office at the date of this Annual Report is set out in the Directors' Report. All Directors of the Group have direct access to the management of the Group and, where necessary, to external advisers.

Principle 3

Promote ethical and responsible decision-making.

Recommendation 3.1
Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- The practices necessary to maintain confidence in the Group's integrity;
- The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and
- The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Group has a long established Code of Conduct (Reference Staff Handbook & Policy Manual Issue 17) expressing our values and expectations of all employees together with a large range of specific policies. The Board also ensures:

- Compliance with all Laws and Regulations;
- Protection of Group assets;
- Accounting that provides a true picture of the Group's position;
- Attention to Auditor recommendations and processes;
- Attention to areas of potential conflict of interest; and
- Public statements only by the Chairman or Managing Director.

Recommendation 3.2
Disclose the policy concerning trading in Company securities by directors, officers and employees.

The Group's Share Trading Policy, as approved by the Board, with specified trading restrictions, has been posted on the Group's website in the Corporate Governance section.

Principle 4

Safeguard integrity in financial reporting.

Recommendation 4.1
The Board should establish an Audit Committee.

Recommendation 4.2
Structure the Audit Committee so that it consists of:

- Only Non-Executive Directors;
- A majority of independent Directors;
- An independent chairperson, who is not chairperson of the Board; and
- At least three members.

Recommendation 4.3
The Audit Committee should have a formal charter.

The Group has an Audit Committee. The Audit Committee comprised two Non-Executive Directors, being Keith Goss (Chairman) and Arthur Lagos. Their qualifications, expertise and experience are set out in the Directors' Report. External auditors and other consultants may be invited to attend Audit Committee meetings at the discretion of the Audit Committee. The number of Audit Committee meetings attended by each of the members is set out in the Directors' Report.

The Audit Committee's Charter, as approved by the Board, has been posted to the Group's website in the Corporate Governance section.

Corporate Governance and Board Practices

Principle 5

Make timely and balanced disclosure.

Recommendation 5.1
Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies.

The Group's ASX Disclosure Compliance Policies and Procedures, as approved by the Board, are available on the Group's website in the Corporate Governance section.

Principle 6

Respect the rights of shareholders.

Recommendation 6.1
Design and disclose a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Information is communicated to the members through compliance with ASX Listing Rules and the Corporations Act 2001, by way of the Annual Report, Half-Yearly Report, the Annual General Meeting and other meetings that may be called to obtain approval for Board recommendations. The Group does not have a formal policy in place in respect to this.

Principle 7

Recognise and manage risk.

Recommendation 7.1
Companies should establish policies for the oversight and management of material business risks ad disclose a summary of those policies.

Recommendation 7.2
The Board should require management to design and implement the risk management and internal control system to manage the Group's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Group's management of its material business risks.

The Audit Committee and the Directors continually monitor areas of significant business risk, recognising that there are inherent risks associated with the provision of goods and services relating to the Information Technology industry. Specifically, in relation to risk oversight, the Board is conscious of its responsibilities to: ensure compliance in legal, statutory and ethical matters; monitor the business environment; identify business opportunities; and monitor the systems established to ensure proper and appropriate responses to member complaints and enquiries. In relation to risk management, the Audit Committee Charter and the Risk Management Policy, as approved by the Board, are available on the Group's website in the Corporate Governance section.

Management reports to the Board at each board meeting on the risk profile of the business. The Board is still in the process of designing better risk management procedures and as such management had not yet reported to the Board as to the effectiveness of the Group's management of its material business risks. .

Recommendation 7.3
The Board should disclose whether it has received assurance from The Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Chief Executive Officer (and Chief Financial Officer) state to the Board in writing that:

- The statement given in accordance with best practice Recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies of the Board.
- The Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Principle 8

Remunerate fairly and responsibly.

Recommendation 8.1
The Board should establish a Remuneration Committee.

A Remuneration and Nomination Committee has been established by the Board and comprises two Directors, being the two Non-Executive Directors, Arthur Lagos and Keith Goss. The number of Remuneration and Nomination Committee meetings attended by each of the members is as set out in the Directors' Report.

The Remuneration and Nomination Committee's Charter, as approved by the Board, is available on the Group's website in the Corporate Governance section.

Recommendation 8.2
Companies should clearly distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives.

Remuneration policy and procedures have been developed by the Remuneration and Nomination Committee. The Group is required under the Corporations Act 2001 to provide a remuneration report to shareholders detailing the Group's remuneration policies and to seek a non-binding resolution on the report at the Group's Annual General Meeting.

The Constitution of the Company provides that the aggregate remuneration of all Directors, in their capacity as Directors, must not exceed $300,000 per annum, or such other sum as the Group in general meeting may approve. This amount is to be apportioned amongst them in such manner as the Directors agree and, in default of agreement, equally. Non-Executive Directors who chair any of the Board Committees do not receive additional remuneration for such duties.

Non-Executive Directors are entitled to three months' Directors' fees plus superannuation for retirement during a period of up to five years from their initial appointment. After five years from the initial appointment Non-Executive Directors become entitled to payment of one year's Directors' fees plus superannuation entitlement upon retirement.

Directors' Report

The Directors present their report on Sirius Corporation Limited and controlled entities (referred to hereafter as "Consolidated Entity" or "Group") for the financial year ended 30 June 2010.

Directors

The names of the Directors in office at any time during or since the end of the financial year are:

Mr Keith Goss
- Chairman Non-Executive Director
Mr Francesco Licciardello
- Managing Director
Mr Arthur Lagos
- Non-Executive Director

Profiles of the current Directors are included on page 16 of this report.

The name, qualifications and experience of the Company Secretary is set out on page 18 and forms part of this report. Mr Peter Torre was Joint Company Secretary until his resignation on 4 March 2010

Directors' interests in securities of the company

The Directors' interests in shares, vendor options and executive options over shares of the Group as at the date of this report are set out in the table below.

Details of share holdings in the Group are set out in note 22 (d) to the financial statements.

Options

There were no options in the Group as at 30 June 2010, as set out in the notes 22 (d) to the financial statements.

Directors' interest in contracts

At the date of this report, there were no Directors' interests in contracts.

Meetings

The table on the following page sets out the number of meetings held during the financial year and the number of meetings attended by each Director.

Principal Activities

The Consolidated Entity and all its controlled entities operate in the information technology industry, being the field of software and services.

Operating Result

The profit after providing for income tax for Sirius Corporation Limited and its controlled entities on a consolidated basis for the year ended 30 June 2010 was $35,859 (2009: Loss $1,239,652).

Shareholders	Number of Ordinary Shares: Direct Interest	Number of Ordinary Shares: Indirect Interest	Number of Vendor Options: Direct Interest	Number of Vendor Options: Indirect Interest	Number of Executive Options: Direct Interest	Number of Executive Options: Indirect Interest
AAS Pty Ltd[1]	514,530	-	-	-	-	-
F Licciardello & G Licciardello[2]	-	1,458,333	-	-	-	-
A Lagos	4,000	-	-	-	-	-
Lasseter Management Pty Ltd[3]	-	1,616,000	-	-	-	-
Lasseter Management Pty Ltd[4]	-	1,868,000	-	-	-	-
Keith Goss	36,804,931	-	-	-	-	-

1 Held by Frank Licciardello as Director of AAS Pty Ltd.
2 Held by Frank Licciardello and Grace Licciardello as trustee of AAS Pty Ltd Superannuation Fund.
3 Held by Lasseter Management as trustee for The Lagos Family Trust.
4 Held by Lasseter Management as trustee for The Lagos Superannuation Fund.

Dividends

No dividends have been paid or declared since the start of the financial year.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the financial year to the Group.

Review of Operations and Likely Developments

A review of operations and the likely developments of the Group are contained within the Chairman and Managing Director's Letter.

Events Subsequent to Balance Date

There was at the date of this report no matter or circumstance which has arisen since 30 June 2010 that has significantly affected or may significantly affect: (a) the operations of the Group; (b) the results of those operations; or (c) the state of affairs of the Group in future years.

Proceedings on Behalf of the Group

No person has applied for leave of Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Likely Developments

In the opinion of the Directors, disclosure of additional information in this Directors Report regarding likely developments in the operations of the Group and the expected results of those operations in subsequent financial years would unreasonably prejudice the interests of the Group. Accordingly, this information has not been included in this Report.

Environmental regulation

The Consolidated Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors	Board Meetings: Eligible to Attend	Board Meetings: Attended	Audit Committee Meetings: Eligible to Attend	Audit Committee Meetings: Attended	Remuneration & Nomination Committee Meetings: Eligible to Attend	Remuneration & Nomination Committee Meetings: Attended
Arthur Lagos	14	14	2	2	2	2
Frank Licciardello	14	14	2	2[1]	2	2[2]
Keith Goss	14	14	2	2	2	2

1 F Licciardello attended the Audit Committee Meetings in an ex-officio capacity.
2 F Licciardello attended the Remuneration & Nomination Committee Meetings in an ex-officio capacity.

Directors' Report

Remuneration Report

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

Introduction
The Sirius remuneration policy is designed to link the remuneration of the executive Directors and senior executives of the Group with Group performance.

The executive Directors' and senior executives' remuneration during the financial year ended 30 June 2010 was linked to performance through a short-term incentives plan (STI Plan), where individuals are assessed against a combination of quantitative and qualitative measures of performance over the past year. Use of the STI Plan is expected to continue into subsequent financial years to reward key management personnel's annual performance.

Commencing from the financial year ending 30 June 2006 onwards, we have adopted a long-term incentives plan (LTI Plan), which through the use of performance rights, all of which have long-term performance measures, ensure the rights can only be exercised when the Group achieves previously set targets.

The non-executive Directors' remuneration is not linked to short-term performance, as the focus of the Board is on governance and the longer-term strategic direction of the Group.

In this report we explain the policy and structure of the remuneration of:
(a) Directors; and
(b) Other Key Management Personnel.

Each section includes an explanation of how the remuneration is calculated as well as a table showing actual figures. For the purpose of this report key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Non-Executive Directors
Non-executive Directors are remunerated with fees that are not linked to performance to preserve their independence. The total fee pool is approved by shareholders.

Our non-executive Directors are remunerated in accordance with the Sirius Constitution, which provides for the following:
- An aggregate limit of fees is set and varied only by approval of a resolution of shareholders at the annual general meeting; and
- The Board determines how those fees are allocated among the Directors within the fee pool.

The total fees paid to non-executive Directors for the 2009/2010 financial year are set out in the table on page 29.

The current fee pool of $300,000 is fixed by the Company's Constitution unless shareholder approval is given to an alternative amount. To date the amount remains unchanged. Non-executive Directors receive total fees based on their respective roles on the Board.

Non-executive Directors are not remunerated for their participation in Board committees.

In order to maintain their independence and impartiality, the remuneration of non-executive Directors is not linked to the performance of the Group, except through their participation in long-term incentives plans.

Share Options and Equity Compensation
At the date of this report, there are no share options outstanding and no new share options were granted to executive and non-executive Directors.

Superannuation
Mandatory superannuation contributions are included as part of each Director's total remuneration package and Directors may state a preference to increase the proportion of their package taken as superannuation contributions subject to legislative requirements.

Other Benefits
In accordance with Board policy, as permitted under Rule 7.3 of our Constitution, Directors also receive reimbursement for reasonable travelling, accommodation and other expenses incurred in travelling to or from meetings of the Board or committees, or when otherwise engaged on the business of the Group.

Retirement Benefits
Under service agreements with the Group, non-executive Directors are entitled to payment of one month's Director's fees plus superannuation entitlement should they retire less than one year from commencement. After one year, up to a period of five years from their initial appointment, they are entitled to a payment of three months' Directors' fees plus superannuation entitlement upon retirement. After five years from initial appointment, non-executive Directors become entitled to payment of 1 years' Director's fees plus superannuation entitlement upon retirement.

Executive Directors
Executive Directors are not paid Directors' fees in addition to their salary and entitlements.

Share Options and Equity Compensation
At the date of this report, there are no share options outstanding and no new share options were granted to executive and non-executive Directors.

Other Key Management Personnel
Remuneration Policy
The Remuneration and Nomination Committee regularly reviews the strategy, structure and policy for other key management personnel remuneration.

Responsibility for reviewing and recommending to the Board the remuneration strategy and structure for Sirius' other key management personnel lies with the Remuneration and Nomination Committee.

The Committee's policy is that other key management personnel remuneration should:
- Reflect the size and scope of the role and be market competitive in order to attract and retain talent;
- Be linked to the financial and operational performance of the Group;
- Be aligned with the achievement of the Group's long-term business objectives; and
- Be differentiated based on individual performance.

The Committee reviews the structure of the remuneration packages of the other key management personnel on a periodic basis and takes into account:
- Salary and employment market movements; and
- Group performance.

Any decision made by the Remuneration and Nomination Committee concerning an individual personnel's remuneration is made without that person being present.

Directors' Report

Remuneration Structure 2009/2010
For the 2009/2010 financial year, there are three main components to the remuneration structure.

The remuneration structure of other key management personnel consisted of:
- Fixed remuneration.
- Short-term incentive.
- Long-term incentive.

Fixed Remuneration
Fixed remuneration is made up of a guaranteed salary (including salary sacrifice benefits and any applicable fringe benefits tax) and superannuation. An individual's fixed remuneration is generally set once a year as part of the Group-wide remuneration review.

The Group contributes to the other key management personnel's superannuation in accordance with the superannuation guarantee legislation. They may increase the proportion of their fixed remuneration taken as superannuation, subject to legislative requirements.

Short-Term Incentive
The short-term incentive plan rewards other key management personnel for meeting or exceeding specific annual business objectives linked to the annual business plan at the Group, business unit and individual level.

Measures and targeted achievement levels are reviewed each year to reflect changes in business priorities for the forthcoming year.

The short-term incentive plan is based on a range of Group financial, organisational and individual performance measures and targets and was approved by the Board.

The value received under the short-term incentive is delivered in cash as a "bonus".

The short-term incentive plan applies only to other key management personnel and executive Directors named below with the exception of the Company Secretary.

The bonus is payable to each of the indicated other key management personnel and executive Directors on meeting pre-determined targets as approved by the Board for EBITDA in the first and second halves of the financial year. The bonus is split between those individual periods on the basis of 33.3% and 66.7%, with each payment being treated as a separate and individual bonus. The potential bonus payments, in total for any particular individual, may range between 16% and 65% of base salary.

Long-Term Incentive
From financial year 2006/2007, key management personnel have been invited to participate in the long-term incentive plan, which is designed to reward the delivery of shareholder returns over a three to five year period.

The long-term incentive plan will involve the issue of share options under the Group's Employee Options Plan, generally with vesting criteria subject to various performance hurdles based on Group and share price performance over a two year period. The Board has discretion as to the performance hurdles that are attached to a grant of employee options, and acts under recommendation from the Remuneration and Nomination Committee.

Details of Key Management Personnel
Details of the remuneration of the Directors and other key management personnel of Sirius Corporation Limited are set out in the following tables.

The key management personnel of Sirius Corporation Limited includes the Directors as per pages 16 to 17 and the following executive officers that report directly to the Managing Director and having authority and responsibility for planning, directing and controlling the activities of the Group.

2010	Short-Term Benefits				Post-Employment benefits	Other-Long term Benefits	Share-Based Payments	Total
Directors	Cash, salary & commissions	Bonus	Non-cash benefits	Termination Payments	Super-annuation			
Directors of Sirius Corporation Limited								
K Goss	-	-	-	-	5,400	-	60,000	$65,400
F Licciardello	250,000	-	-	-	22,500	-	-	$272,500
A Lagos	-	-	-	-	30,000	-	-	$30,000
Other key management personnel of the Group								
Geoff Reeves[1]	150,000	85,000	-	-	13,461	-	-	$248,461
	$400,000	**$85,000**	**$0**	**$0**	**$71,361**	**$0**	**$60,000**	**$616,361**

1 Mr Geoff Reeves is the General Manager of InfoMaster Pty Ltd, a subsidiary company of the Group.

2009	Short-Term Benefits				Post-Employment benefits	Other-Long term Benefits	Share-Based Payments	Total
Directors	Cash, salary & commissions	Bonus	Non-cash benefits	Termination Payments	Super-annuation			
Directors of Sirius Corporation Limited								
K Goss[1]	37,615	-	-	-	3,385	-	-	$41,000
F Licciardello	250,000	18,750	-	-	24,187	-	-	$292,937
A Lagos	-	-	-	-	30,000	-	-	$30,000
R Mason[2]	44,769	-	-	92,660	8,769	-	-	$146,198
Other key management personnel of the Group								
Geoff Reeves[3]	146,192	-	-	-	12,760	-	-	158,952
Greg Eldred[4]	10,961	-	-	2,410	987	-	-	14,358
	$489,537	**$18,750**	**$0**	**$95,070**	**$80,088**	**$0**	**$0**	**$683,445**

1 Mr Keith Goss was appointed Chairman on 17 March 2009.
2 Mr Roger Mason resigned as Non-Executive Director on 17 March 2009.
3 Mr Geoff Reeves is the General Manager of InfoMaster Pty Ltd, a subsidiary company of the Group.
4 Mr Greg Eldred resigned from his position as General Manager of 076 565 341 Pty Ltd (formerly Phoneware Communication Systems Pty Ltd) on 15 July 2008.

Directors' Report

Service Agreements
Remuneration and other forms of employment for Directors and other key management personnel are formalised in service agreements. The major provisions of the agreements relating to remuneration are as follows:

- Term of agreement;
- Remuneration review by Remuneration and Nominations Committee; and
- Termination benefit on early termination by the employer other than for gross misconduct

Directors and Officers Liability Insurance
The Directors and other key management personnel of Sirius Corporation Limited and its Controlled Entities are indemnified through appropriate insurance cover. This insurance has been excluded from Directors and other key management personnel remuneration. Directors' and other key management personnel remuneration excludes insurance premiums of $16,203 paid by the parent entity in respect of Directors' and officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual Directors and officers. Information relating to insurance contracts is set out in the Directors' report.

Indemnification of Directors and Officers
During the financial year, Sirius Corporation Limited paid a premium of $16,203 to insure all Directors and Officers (including employees) of the Group against legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity.

Non-Audit Services
The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The following fees for non-audit services were paid/payable to the external auditor during the year ended 30 June 2010

- Taxation Services; and $55,770
- Due Diligence Services $60,665

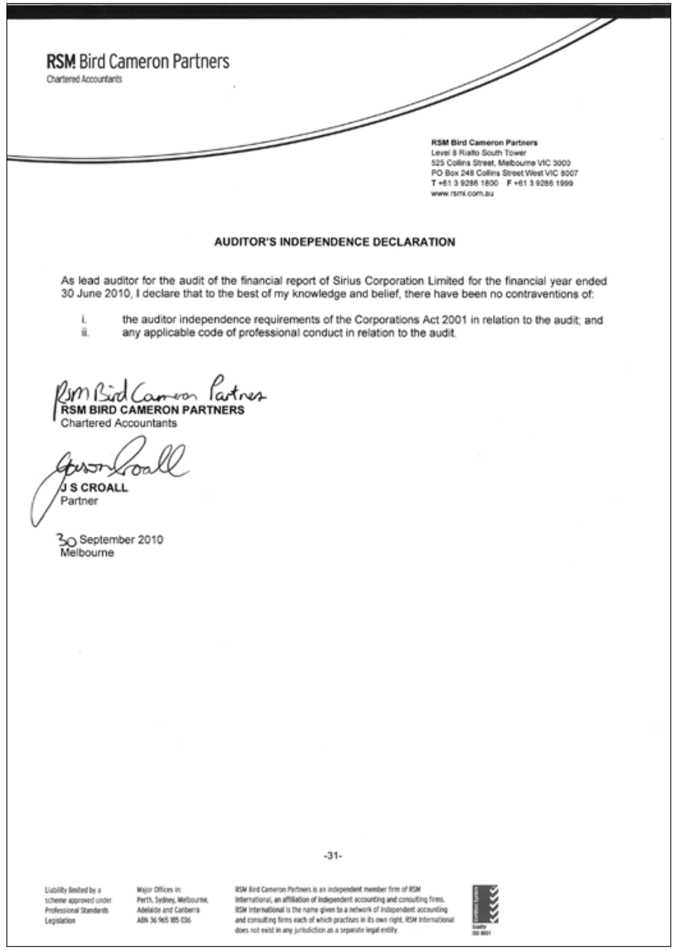
Auditor's Independence Declaration
The auditor's independence declaration as required under section 307C of the *Corporations Act 2001*, is set out on page 31.

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

Keith Goss
Non-Executive Chairman
Melbourne 30 September 2010

Francesco (Frank) Licciardello
Managing Director and CEO
Melbourne 30 September 2010

Auditors Independence Declaration



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Sirius Corporation Limited for the financial year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

J S CROALL
Partner

30 September 2010
Melbourne

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Financial Report

Sirius Corporation Limited
Sirius Corporation Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

Sirius Corporation Limited
Suite 2, Level 8, 616 St Kilda Road
Melbourne Victoria 3004 Australia

A description of the nature of the Consolidated Entity's operations and its principal activities is included in the review of operations and activities on pages 2 to 15 and in the Directors' report on pages 24 to 30.

Notes to the Financial Statements

Independent Audit Report

RSM Bird Cameron Partners
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

SIRIUS CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Sirius Corporation Limited ("the company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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RSM Bird Cameron Partners
Chartered Accountants

Auditor's Independence Declaration

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 Sirius Corporation Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1(r) in the financial report which indicates that the consolidated entity and company reported an operating profit/(loss) after tax of $35,859 and ($711,966), respectively, during the year ended 30 June 2010 and at that date, had a net working capital deficiency of $635,004 and $334,611, respectively. In the event that cash flow forecasts or other investment opportunities are not achieved then there is a possibility that additional funding may be required from either investors or financiers. These conditions, along with other matters as set forth in Note 1(r), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's and company's ability to continue as going concerns and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 30 of the directors' report for the financial year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Sirius Corporation Limited for the financial year ended 30 June 2010 complies with section 300A of the *Corporations Act 2001*.

Rsm Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

J S CROALL
Partner

30 September 2010
Melbourne

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Directors' Declaration

In the Directors opinion:

1. the financial statements and notes set out on pages 35 to 61, are in accordance with the *Corporations Act 2001* and:
    a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
    b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the financial year ended on that date of the Company and Consolidated Entity;
2. as indicated in Note 1 (r), there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
3. the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1.

The Directors' have been given the declarations by the Chief Executive Officer (and Chief Financial Officer) required by section 295A of the *Corporations Act 2001*.

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

Keith Goss
Non-Executive Chairman
Melbourne 30 September 2010

Francesco (Frank) Licciardello
Managing Director and CEO
Melbourne 30 September 2010

Statement of Comprehensive Income

For the Year Ended 30 June 2010

	Notes	Consolidated 2010 $	Consolidated 2009 $
Revenue	6	**5,670,759**	5,345,148
Cost of goods sold		**(133,217)**	(275,780)
Facilities management operational leases		**(15,129)**	(13,440)
Telecommunication carrier expenses		**(124,424)**	(102,683)
Employee benefits, other labour & related expenses		**(2,640,055)**	(3,606,939)
Occupancy expenses		**(522,166)**	(489,929)
Travel, accommodation and entertainment expenses		**(268,998)**	(197,281)
Professional fees (non Director related)		**(95,779)**	(235,761)
Insurance		**(60,070)**	(80,425)
Borrowing cost expenses	7	**(9,381)**	(85,372)
Other expenses from operating activities (net)	7	**(126,944)**	(317,642)
Marketing expenses		**(34,672)**	(141,688)
Depreciation expenses	7	**(1,607,249)**	(1,449,954)
Impairment on Investment		**-**	(60,000)
Acquisition expenses written off		**-**	(248,373)
Profit (loss) before income tax expense		**32,675**	(1,960,119)
Income tax expense/(benefit)	8	**(3,184)**	(720,467)
Profit (loss) for the year		**35,859**	(1,239,652)
Net profit (loss) attributable to members of Sirius Corporation Limited		**35,859**	(1,239,652)
Other comprehensive income		**-**	-
Total comprehensive income for the year	20	**35,859**	(1,239,652)

	Notes	Cents 2010	Cents 2009
Earnings per share for profit (loss) attributable to the ordinary equity holders of the company:			
Basic earnings per share	29	**0.03**	(1.24)
Diluted earnings per share		**(i)**	(i)
(i) Not materially different to basic earnings per share			

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2010

	Notes	Consolidated 2010 $	2009 $
Current Assets			
Cash and Cash Equivalents	9	435,230	368,947
Trade and Other Receivables	10	2,293,276	1,431,373
Other	11	209,753	477,020
Total Current Assets		2,938,259	2,277,340
Non Current Assets			
Property Plant & Equipment	12	363,903	455,442
Intangible Assets	13	3,634,401	3,942,511
Investments on Deposit		144,771	144,771
Total Non Current Assets		4,143,075	4,542,724
TOTAL ASSETS		7,081,334	6,820,064
Current Liabilities			
Trade and Other Payables	14	2,202,386	2,084,219
Other	15	1,370,877	1,790,324
Total Current Liabilities		3,573,263	3,874,543
Non Current Liabilities			
Interest Bearing Liabilities	17	-	12,594
Provisions	18	118,035	95,928
Deferred Tax Liabilities	16	-	3,184
Total Non Current Liabilities		118,035	111,706
TOTAL LIABILITIES		3,691,298	3,986,249
NET ASSETS		3,390,036	2,833,815
Equity			
Contributed Equity	19	10,858,299	10,337,947
Accumulated Losses	20	(7,468,263)	(7,504,132)
TOTAL EQUITY		3,390,036	2,833,815

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2010

Consolidated	Issued Capital $	Accumulated Profits/(Losses) $	TOTAL $
Balance @ 1 July 2008	10,337,947	(6,264,480)	4,073,467
Profit (Loss) for the period	-	(1,239,652)	(1,239,652)
Shares issued	-	-	-
Balance @ 30 June 2009	10,337,947	(7,504,132)	2,833,815
Balance @ 1 July 2009	10,337,947	(7,504,132)	2,833,815
Profit (Loss) for the period	-	35,859	35,859
Shares issued	520,352	-	520,352
Balance @ 30 June 2010	10,858,299	(7,468,263)	3,390,036

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For Year Ended 30 June 2010

	Notes	Consolidated 2010 $	2009 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**5,397,319**	6,582,669
Payments to suppliers and employees (inclusive of GST)		**(4,491,947)**	(6,618,058)
		905,372	(35,389)
Interest received		**6,855**	46,122
Finance costs		**(9,381)**	(52,118)
Net cash inflow/(outflow) from operating activities	28	**902,846**	(41,385)
Cash flows from investing activities			
Investments		**-**	(144,771)
Proceeds from sale of discontinued operations		**201,286**	200,000
Payments for development costs		**(1,198,761)**	(767,687)
Payments for property plant and equipment		**(7,494)**	(25,461)
Proceeds from sale of shares/investment		**-**	180,000
Net cash (outflow) from investing activities		**(1,004,969)**	(557,919)
Cash flows from financing activities			
Repayment of borrowings		**(35,565)**	(831,000)
Proceeds from convertible notes		**-**	260,000
Proceeds from rights issue		**450,704**	-
Repayment of convertible notes		**(246,733)**	(25,540)
Net cash inflow/(outflow) from financing activities		**168,406**	(596,540)
Net increase/(decrease) in cash held		**66,283**	(1,195,844)
Cash at the beginning of the financial year		**368,947**	1,564,791
Cash and cash equivalents at the end of the financial year	9	**435,230**	368,947

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These consolidated financial statements and notes represent those of Sirius Corporation Limited and controlled entities. Sirius Corporation Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity. The separate financial statements of the parent entity, Sirius Corporation Limited, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001* effective as at 28 June 2010.

(a) Basis of Preparation

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

Compliance with IFRSs

The consolidated financial statements of Sirius Corporation Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

(b) Change in accounting policy

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current reporting period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

(i) Presentation of financial statements

The Group has applied the revised AASB 101 Presentation of Financial Statements (2007) from 1 July 2009. The revision of this standard now requires the Group to present all non-owner changes to equity ('comprehensive income') in the statement of comprehensive income. The Group has presented the statement of comprehensive income and non-owner changes in equity in one statement of comprehensive income. All owner changes in equity are presented separately in the statement of changes in equity.

The presentation requirements have been applied for the entire reporting period and comparative information has been re-presented to also comply with the revised AASB 101.

(ii) Segment Reporting

The company has applied AASB 8 Operating Segments with effect from 1 July 2009. Previously operating segments were reported in accordance with AASB 114 Segment reporting. AASB 8 requires the entity to identify operating segments and disclose segment information on the basis of internal reports that are provided to, and reviewed by, the chief operating decision maker of the company to allocate resources and assess performance. In the case of the company the chief operating decision maker is the Board of Directors.

As a result of the adoption of AASB 8, the company's reportable segments have changed. Operating segments now represent the basis on which the company reports its segment information to the Board on a monthly basis. Comparative segment information has been represented to comply with the requirements of AASB 8. The change in policy has resulted in a change to the disclosure presented and not the company's profit or earnings per share.

(b) Change in accounting policy (continued)

(iii) Business combinations and consolidation procedures
Revised AASB 3 Business Combinations and AASB 127 Consolidated and Separate Financial Statements apply prospectively from 1 July 2009. Changes introduced by these standards which are expected to affect the company, include the following:

- Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation.
- The acquirer is prohibited from recognising contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability.
- Consideration for the acquisition, including contingent consideration, must be measured at fair value at acquisition date. Subsequent changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments but are rather recognised in accordance with other Australian Accounting Standards as appropriate.
- Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

(iv) Financial instruments disclosures
The amendments to AASB 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

(c) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sirius Corporation Limited as at 30 June 2010 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Transactions eliminated on consolidation
Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Income tax

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

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

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

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be

Notes to the Financial Statements

realised and comply with the conditions of deductibility imposed by the law.

(d) Income tax (continued)

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Sirius Corporation Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing 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.

(e) Property, plant and equipment

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

Plant and Equipment
Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The expected useful lives of plant and equipment ranges from 3 to 15 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

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

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the economic entity, are classified as finance leases.

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

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

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

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

(g) Financial Instruments

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

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

Notes to the Financial Statements

(h) Impairment of Assets

The Group reviews the carrying values of its tangible and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. This assessment is carried out at least annually. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(i) Intangible Assets

(i) IT Development

Costs incurred in developing products of systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised included external direct costs of material and service, direct payroll and payroll related cost of employees' time spent on the project. Amortisation is calculated on a straight-line basis over a 4 year period.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

(ii) Customer Maintenance Contracts

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which at present are 7 years.

(iii) Software

Software acquired as part of a business combination is recognised separately from goodwill. The software acquired is carried at its fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which at present are 4 years.

(j) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The amount for which the Group does not have an unconditional right to defer settlement is recorded in other payables as a current liability.

(iii) Superannuation

Contributions to the employee superannuation plan are charged as expenses as the contributions are paid or become payable.

(k) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate of which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit and loss.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of resources will result and the amount can be reliably measured.

(m) Cash and Cash Equivalents

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

(n) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(o) Borrowing Costs

Borrowing costs are expensed in the statement of comprehensive income in the period in which they are incurred.

(p) 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. These amounts are unsecured and are usually paid within 30 days of recognition.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(r) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. At 30 June 2010 the Consolidated Entity and Company reported an operating profit/(loss) after tax of $35,859 and $(711,966), respectively, and had a net working capital deficiency of $635,004 and $334,611 respectively. The Directors are of the view that the Consolidated Entity and Company need to pursue other investment opportunities in order to achieve a viable business model into the future. The Directors have prepared cash flow forecasts for the next 12 months, which indicate both the Consolidated Entity and Company will be cash positive. Should the forecast level of revenue not be achieved, and other investment opportunities are also not achieved, there is a possibility additional funding from either investors or financiers may be required. The Directors are confident that this additional funding will not be required as they believe either the forecast level of revenue will be achieved or new investment options will be created.

In the event that both forecast revenues and new investments are not achieved, there would be significant uncertainty as to whether the Consolidated Entity and Company would continue as going concerns and therefore whether they realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary if the Consolidated Entity and Company do not continue as going concerns.

(s) New standards and interpretations issued but not yet effective

At the date of this financial report, AASB 9, AASB 124, AASB 2009-5, AASB 2009-8 AASB 2009-11, AASB 2009-12, AASB 2010-2, AASB 2010-3 and AASB 2010-4 which may impact the entity in the period of initial application, have been issued but are not yet effective. These new standards and interpretations have not been applied in the preparation of this financial report. Other than changes to disclosure formats, it is not expected that the initial application of these new standards and interpretations in the future will have any material impact.

2. Financial Risk Management

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of Directors under policies approved by them. The Board identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas.

Credit Risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to closeout market positions. The Group manages its liquidity risk through monitoring updated cash flow forecasts.

Interest Rate Risk Exposure

The Consolidated Entity's exposure to interest rate risk, and the effective weighted average interest rate by maturity periods for each class of financial asset or liability, is set out below. Exposures arise predominantly from assets and liabilities bearing variable interest rates, as the Consolidated Entity intends to hold fixed rate assets and liabilities to maturity.

Notes to the Financial Statements

2010	Floating Interest Rate	1 Year or Less	Over 1 to 5 Years	Non Interest Bearing	Total
	$	$	$	$	$
Financial assets					
Cash and deposits	435,230	-	-	-	435,230
Current receivables	-	-	-	2,293,276	2,293,276
	435,230	-	-	2,293,276	2,728,506
Weighted average interest rate	4.04%				
Financial liabilities					
Trade payables	-	-	-	1,163,901	1,163,901
Borrowings	-	-	-	-	-
	-	-	-	1,163,901	1,163,901
Weighted average interest rate					
Net financial assets (liabilities)	435,230	-	-	1,129,375	1,564,605

2009	Floating Interest Rate	1 Year or Less	Over 1 to 5 Years	Non Interest Bearing	Total
	$	$	$	$	$
Financial assets					
Cash and deposits	368,947	-	-	-	368,947
Current receivables	-	-	-	1,467,578	1,467,578
	368,947	-	-	1,467,578	1,836,525
Weighted average interest rate	6.25%				
Financial liabilities					
Trade payables	-	-	-	1,282,300	1,282,300
Borrowings	-	-	-	-	-
	-	-	-	1,282,300	1,282,300
Weighted average interest rate					
Net financial assets (liabilities)	368,947	-	-	185,278	554,225

Net Fair Value of Financial Assets and Liabilities

On-Balance Sheet

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

Notes to the Financial Statements

3. Critical Accounting Estimates and Judgements

Deferred Software Development Costs

The Group applies AASB 138 Intangible Assets in determining the appropriateness of the carrying value of the deferred software development costs balance. This determination requires significant judgement. In making this judgement, the Group considers the probability that future economic benefits attributable to the asset will flow to the entity. In particular the entity considers the potential existence of a market for the product, future sales forecasts and changes in technology.

In the event that the carrying value is considered to exceed its recoverable amount, an impairment loss is recognised immediately.

Impairment Testing of Intangible Assets

The Directors have reviewed the recoverability of the intangible assets. The recoverable amount of the intangible assets has been based on value in use calculations. These calculations require the use of assumptions. The key assumptions used in the impairment testing model are:

- Customer retention of the maintenance revenue base of 90%;
- Wage inflation rate to be maintained at 5%;
- Annual CPI increase in maintenance revenue;
- Annual expected growth rate of sales of 5%;
- Number of tender responded to is in excess of $3 million; and
- Tax rate of 30%.

4. Segment Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors has identified three reportable segments. Corporate consists of the compliance aspect of a public company such as the finance, human resources, IT and directors' costs. This segment provides management services to the other two segments being SMS and InfoMaster. The SMS division provides help-desk and operator services to government departments. The InfoMaster business is a provider of on-line tools for planning and development assessment and asset management software for governments and corporate clients. The Board of Directors monitors the performance of all the segments which is why the three segments are being reported separately.

The segment information provided to the Board of Directors, for the reportable segments, for the year ended 30 June 2010, is as follows:

Year ended 30 June 2010	**Corporate**	**SMS**	**InfoMaster**	**Consolidation Adjustment****	**Total**
	$	$	$	$	$
Revenue from external customers	191,547	1,060,162	4,419,050	-	**5,670,759**
Reportable segment profit/(loss) before tax	(664,006)	448,358	1,243,691	(995,368)	**32,675**
Total segment assets	2,326,521	69,873	4,684,940	-	**7,081,334**
Total segment liabilities	1,368,491	41,922	2,280,885	-	**3,691,298**

** Consolidation adjustment relates to the amortisation of intellectual property.

4. Segment Information (continued)

The segment information provided to the Board of Directors, for the reportable segments, for the year ended 30 June 2009, is as follows:

Year ended 30 June 2009	**Corporate**	**SMS**	**InfoMaster**	**Consolidation Adjustment****	**Total**
	$	$	$	$	$
Revenue from external customers	202,224	1,987,127	3,155,797	-	**5,345,148**
Reportable segment profit/(loss) before tax	(2,072,381)	872,451	235,178	(995,367)	**(1,960,119)**
Total segment assets	3,718,087	55,724	3,046,253	-	**6,820,064**
Total segment liabilities	2,051,784	45,394	1,889,071	-	**3,986,249**

** Consolidation adjustment relates to the amortisation of intellectual property.

5. Parent Entity Disclosures

The financial information has been extracted from the books and records of the parent and has been prepared in accordance with accounting standards.

a) Financial Information	**Parent**	
	2010	**2009**
	$	$
Profit/(loss) for the year	**(711,966)**	(335,336)
Total comprehensive income	**(711,966)**	(335,336)
Current Assets	**188,602**	288,469
Total Assets	**2,396,396**	4,179,399
Current Liabilities	**523,213**	1,022,111
Total Liabilities	**1,410,415**	3,001,804
Shareholders Equity		
Issued capital	**10,858,299**	10,337,947
Retained earnings	**(9,872,318)**	(9,160,352)
Total Equity	**985,981**	1,177,595

b) Commitments and Contingencies

Sirius Corporation Limited has no commitments to acquire property, plant and equipment and has no contingent liabilities.

6. Revenue

	Consolidated 2010 $	2009 $
Revenue		
Services	**5,663,904**	5,299,026
	5,663,904	5,299,026
Other Revenue		
Interest received	**6,855**	46,122
Total Revenue	**5,670,759**	5,345,148

Notes to the Financial Statements

7. Operating Profit (Loss)

Net profit (loss) and expenses

Profit (loss) before income tax includes the following specific expenses:

	Consolidated 2010 $	2009 $
Depreciation		
Plant and equipment	**100,379**	175,429
Impairment		
Investment	**-**	60,000
Total Impairment	**-**	60,000
Amortisation		
Deferred IT development	**511,495**	279,158
Customer maintenance contracts	**369,867**	369,867
Software	**625,500**	625,500
Total amortisation	**1,506,862**	1,274,525
Other charges against assets		
Bad and doubtful debts	**-**	33,254
	-	33,254
Net loss on disposal of fixed assets	**-**	552
Finance costs		
Interest and finance charges paid/payable	**9,381**	85,372
Rental expense relating to operating leases		
Minimum lease payments	**496,897**	501,386

8. Income Tax

	Consolidated 2010 $	2009 $
a) The income tax expense (benefit) for the financial year differs from the amount calculated on the profit (loss). The differences are reconciled as follows:		
Profit/(loss) from ordinary activities before income tax expense	**32,675**	(1,960,119)
Income tax calculated @ 30%	**9,802**	(588,036)
Deferred tax liability not brought to account	**-**	(132,431)
Deferred tax assets , not previously recognised, brought to account	**(12,986)**	-
Income tax (benefit)	**(3,184)**	(720,467)
b) Tax losses		
Approximate unused tax losses for which no deferred tax asset has been recognised	**1,209,210**	1,241,885
Potential tax benefit	**362,763**	372,565

9. Current Assets – Cash and Cash Equivalents

	Consolidated 2010 $	2009 $
Cash at bank and on hand	**435,230**	368,947

10. Current Assets – Trade and Other Receivables

	2010	2009
Trade debtors	**2,293,276**	1,467,578
Less Provision for doubtful debts	**-**	(36,205)
	2,293,276	1,431,373

Notes to the Financial Statements

11. Current Assets – Other

	Consolidated 2010 $	2009 $
Deposits	**60,305**	7,465
Prepayments	**62,626**	38,316
Accrued Income	**61,676**	193,589
Sundry Debtors	**25,146**	237,650
	209,753	477,020

The deposits are non-interest bearing.

12. Non-Current Assets – Property, Plant and Equipment

	2010	2009
Leasehold improvements		
At cost	**154,570**	154,570
Less: Accumulated amortisation	**(40,484)**	(29,993)
Total leasehold improvements	**114,086**	124,577
Plant and equipment		
At cost	**4,316,763**	4,307,921
Less: Accumulated depreciation	**(4,066,946)**	(3,977,056)
Total plant and equipment	**249,817**	330,865
	363,903	455,442

Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out on the next page.

12. Non-Current Assets – Property, Plant and Equipment (continued)

	Leasehold Improvements	Plant and Equipment	Total
	$	$	$
Consolidated			
Carrying amount at 1 July 2009	124,577	330,865	455,442
Net additions / (reductions)	-	8,842	8,842
Depreciation / amortisation expense	(10,491)	(89,890)	(100,381)
Carrying amount at 30 June 2010	**114,086**	**249,817**	**363,903**
Consolidated			
Carrying amount at 1 July 2008	117,121	498,242	615,363
Net additions / (reductions)	14,500	1,008	15,508
Depreciation / amortisation expense	(7,044)	(168,385)	(175,429)
Carrying amount at 30 June 2009	**124,577**	**330,865**	**455,442**

13. Non-Current Assets – Intangible Assets

	Consolidated	
	2010	2009
	$	$
IT Development	**2,649,625**	1,450,864
Less: Accumulated amortisation	**(924,015)**	(412,520)
	1,725,610	1,038,344
Customer maintenance contracts	**2,773,917**	2,773,917
Less: Accumulated amortisation	**(1,109,567)**	(739,700)
	1,664,350	2,034,217
Software	**2,502,083**	2,502,083
Less: Accumulated amortisation	**(2,257,642)**	(1,632,133)
	244,441	869,950
Total Intangible Assets	**3,634,401**	3,942,511

14. Current liabilities – Trade and Other Payables

	Consolidated	
	2010	2009
	$	$
Trade payables	**1,163,901**	1,282,300
Other payables	**1,038,485**	801,919
	2,202,386	2,084,219

15. Current liabilities – Other

Income in advance	**1,358,284**	1,513,025
Lease Liability	**12,593**	35,564
Loans	-	241,735
	1,370,877	1,790,324

16. Current liabilities – Deferred Tax Liabilities

Deferred Tax Liabilities	-	3,184

17. Non-Current Liabilities – Interest Bearing Liabilities

Lease Liability	-	12,594

18. Non-Current Liabilities – Provisions

Employee benefits - long service leave	**118,035**	95,928

19. Contributed Equity

	Consolidated	
	2010	2009
	$	$
a) Ordinary Shares		
Fully paid	**10,858,299**	10,337,947

b) Movements in ordinary share capital

Details	Date	Number of Shares	$
Opening balance – issued shares	1 July 2009	100,232,727	10,337,947
Additions / (Reductions)		19,832,120	520,352
Balance – issued shares	30 June 2010	120,064,847	10,858,299

c) Ordinary Shares

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

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

As at 30 June 2010 there were 120,064,847 fully paid shares.

20. Accumulated Losses

	Consolidated	
	2010	2009
	$	$
Accumulated losses at the beginning of the financial year	**(7,504,132)**	(6,264,480)
Net profit/(loss) attributable to members of Sirius Corporation Limited	**35,859**	(1,239,652)
Accumulated losses at the end of the financial year	**(7,468,263)**	(7,504,132)

Notes to the Financial Statements

21. Franking Credits

	Consolidated	
	2010	2009
	$	$
Franking credits available for subsequent financial years based on a tax rate of 30%	**279,000**	279,000

The above amounts represent the balances of the franking account as at the end of the financial period, adjusted for:
a) franking credits that will arise from the payment of income tax payable as at the end of the period;
b) franking debits that will arise from the payment of dividends proposed as at the end of the period; and
c) franking credits that may be prevented from being distributed in the subsequent year.

22. Key Management Personnel Disclosures

a) Directors

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

Name	*Position*
Keith Goss	Chairman and Non-Executive Director
Frank Licciardello	Managing Director and Company Secretary
Arthur Lagos	Non-Executive Director

22. Key Management Personnel Disclosures (continued)

b) Other key management personnel

The following person/s also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year.

Name	*Position*
Geoff Reeves	General Manager – InfoMaster Pty Ltd

c) Key management personnel compensation

	Consolidated	
	2010	2009
	$	$
Short-term employee benefits	**485,000**	508,287
Termination benefits	**-**	95,070
Post-employment benefits	**71,361**	80,088
Share-based payments	**60,000**	-
	616,361	683,445

d) Equity instrument disclosures relating to the key management personnel

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

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report within the Directors' Report.

(ii) Option holdings

There were no options in existence at 30 June 2010 or at 30 June 2009.

Notes to the Financial Statements

22. Key Management Personnel Disclosures (continued)

d) Equity instrument disclosures relating to the key management personnel (continued)

(iii) Share holdings

The number of shares in the Group held during the financial year by each director of Sirius Corporation Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2010	**Balance at the start of the year 01/07/2009**	**Received during the year on the exercise of options**	**Acquired (disposed) during the year**	**Balance at the end of the year 30/06/2010**
Name				
Directors of Sirius Corporation Limited				
F Licciardello	1,764,530	-	208,333	1,972,863
K Goss	24,448,787	-	12,356,144	36,804,931
A Lagos	3,488,000	-	-	3,488,000
Other Key Management Personnel of the Group				
Geoff Reeves	-	-	-	-

2009	**Balance at the start of the year 01/07/2008**	**Received during the year on the exercise of options**	**Acquired (disposed) during the year**	**Balance at the end of the year 30/06/2009**
Name				
Directors of Sirius Corporation Limited				
F Licciardello	1,764,530	-	-	1,764,530
K Goss**	24,448,787	-	-	24,448,787
A Lagos	3,488,000	-	-	3,488,000
Other Key Management Personnel of the Group				
Geoff Reeves	-	-	-	-

** Mr Ketih Goss was appointed Non-Executive Director on the 17 March 2009.

e) Loans and other transactions with key management personnel

During the 2009 financial year, the Directors and related parties advanced funds to the Group by way of convertible notes and the Group agreed to issue convertible notes to the investor with each note having a face value of $1.00 each and maturity date being 30 June 2009.

Refer note 15 for disclosure of these convertible notes.

The funds advanced by way of convertible notes were fully repaid in July 2009.

23. Remuneration of Auditors

	Consolidated	
	2010	2009
	$	$
a) Assurance services		
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:		
Auditor of the consolidated and parent entity - RSM Bird Cameron Partners	**67,958**	80,476
b) Taxation services		
Auditor of the consolidated and parent entity - RSM Bird Cameron	**55,770**	27,200
c) Due Diligence/consulting services		
Due diligence services for acquisition purposes & other consulting services - RSM Bird Cameron	**60,665**	71,003

24. Commitments for Expenditure

	Consolidated	
	2010	2009
	$	$
Lease commitments		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities payable:		
Within one year	**339,446**	454,343
Later than one year but not later than 5 years	**156,727**	496,173
	496,173	950,516
Representing:		
Non-cancellable operating leases	**496,173**	950,516

Operating leases

The Group leases vary from office premises and office equipment under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the agreement are renegotiated.

Notes to the Financial Statements

25. Related Parties

a) Wholly owned group

The wholly-owned group consists of Sirius Corporation Limited and InfoMaster Pty Ltd (previously IFMA Pty Ltd). The remaining 3 non-operating entities, being 076 565 341 Pty Ltd, 006 970 887 Pty Ltd and 050 873 900 Pty Ltd (previously Sirius Managed Services Pty Ltd) are in the process of being liquidated.

Transactions between Sirius Corporation Limited and other entities in the wholly-owned group during the year ended 30 June 2010 consisted of non-interest bearing advances to fund working capital requirements.

Refer to note 22(e) for amounts receivable from, and payable to, other related parties at balance date.

b) Controlling entities

The ultimate parent entity in the wholly owned group is Sirius Corporation Limited, a company incorporated in Australia.

c) Subsidiaries

Interests in subsidiaries are set out in note 26.

d) Key management personnel

Disclosures relating to key management personnel are set out in note 22.

26. Investments in controlled entities

Name of entity	Country of Incorporation	Class of Shares	Equity Holding	
			2010	2009
			%	%
InfoMaster Pty Ltd	Australia	Ordinary	**100**	100
076 565 341 Pty Ltd (in liquidation)	Australia	Ordinary	**100**	100
006 970 887 Pty Ltd (in liquidation)	Australia	Ordinary	**100**	100
050 873 900 Pty Ltd (in liquidation)	Australia	Ordinary	**100**	100

27. Economic dependancy

One client or customer accounts for 13% of the gross revenue of the Consolidated Entity, with the next rated client comprising 8% of the gross revenue in the wholly-owned group.

28. Reconciliation of Operating Profit (Loss) After Income Tax to Net Cash Inflow From Operating Activities

	Consolidated	
	2010	2009
	$	$
Operating profit (loss) after income tax	**35,859**	(1,239,652)
Depreciation and amortisation	**1,607,249**	1,449,954
Impairment on investment	**-**	60,000
Loss on sale of fixed assets	**-**	552
Change in operating assets and liabilities		
Trade debtors and receivables	**(861,903)**	(301,019)
Other operating assets	**267,267**	360,206
Trade payables and other payables	**(36,574)**	195,682
Provision for income taxes payable	**(3,184)**	(720,468)
Other provisions	**(105,867)**	153,360
Net cash inflow (outflow) from operating activities	**902,846**	(41,385)

Notes to the Financial Statements

29. Earnings Per Share

	Consolidated	
	2010	2009
	Cents	Cents
(a) Basic earnings per share		
Profit attributable to the ordinary equity holders of the company	**0.03**	(1.24)
(b) Diluted earnings per share	**(i)**	(i)
(c) Reconciliations of earnings used in calculating earnings per share		
	2010	2009
Basic earning per share	**$**	$
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**35,859**	(1,239,652)
Diluted earnings per share	**(i)**	(i)

	Consolidated	
	2010	2009
	Number	Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share	**111,720,329**	100,232,727

(i) Not materially different to basic earnings per share

Shareholder Information as at 24 September 2010

Fully Paid Issued Shares

a) Number of Shareholders	329
b) Total Shares Issued	120,064,847
c) Percentage of total holding by or on behalf of the 20 largest shareholders	83.40

d)	Number of Shareholders	Number of Shares Held	% of Isseud Capital
1 - 1000	5	1,381	.00
1001 - 5000	95	366,031	0.30
5001 - 10000	71	645,657	0.54
10001 - 100000	95	3,483,504	2.90
100001 and over	63	115,568,274	96.25
e) Number of shareholders with less than a marketable parcel of shares.	198	1,361,100	1.13

Substantial Shareholders

	Shares to Which Entitled	% of Issued Capital
Mr Keith Mooring Goss	36,804,931	30.65
RF & LF Mason Pty Ltd	12,255,806	10.21
Armada Trading Pty LTD	7,035,203	5.86 %
Dixon Trust Pty Limited	6,243,082	5.20

Voting Rights

Fully Paid Ordinary Shares – one vote for each member except on a poll where each share has one vote.

Options – no voting rights until exercise or conversion of option into ordinary share(s).

Largest 20 Shareholders as at 24 September 2010

	Number of Shares Held	% of Issued Capital
MR KEITH MOORING GOSS	36,804,931	30.65%
RF & LF MASON PTY LTD	12,255,806	10.21%
ARMADA TRADING PTY LTD	7,035,203	5.86 %
DIXSON TRUST PTY LIMITED	6,243,082	5.20%
DUNRAY NOMINEES PTY LTD	4,834,200	4.03%
MRS ELIAZBETH THERESE MASON	3,489,400	2.91%
LASSETTER MANAGEMENT PTY LTD	3,484,000	2.90%
MR ROGER FARQUHARSON MASON	3,097,800	2.58%
MRS MARGARET KAY MOORE	3,097,800	2.58%
BERGER PARTNERS CONSULTING PTYLTD	2,455,285	2.04%
MR DAVID JACOB SAMUEL NAPHTALI	2,383,333	1.99%
MR JOHN WINTER	2,277,700	1.90%
FRANK LICCIARDELLO & GRACE LICCIARDELLO	1,972,863	1.64%
MARGARET KAY MOORE & ROGER MASON	1,949,000	1.62%
MR ROGER JOHN MOORE & MRS MARGARET KAY MOORE	1,772,400	1.48%
MR ROGER MASON & MRS LESLEY MASON	1,521,659	1.27%
MR JONATHAN BRUCE HARRIS & MRS LYNETTE MAUD HARRIS	1,521,600	1.27%
MR ROGER FARQUHARSON MASON & MRS LESLEY FRANCES MASON	1,405,232	1.17%
MRS LESLEY FRANCES MASON	1,300,736	1.08%
KOOYONG KOOT HOLDINGS	1,227,619	1.02%
Total for Top 20:	100,129,649	83.40%

Annual Report 2010 Directory

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Telephone (03) 9520 7800
Facsimile (03) 9520 7950

Websites
www.sirius.com.au
www.infomaster.com.au

Directors
Keith Goss
(Non-Executive Chairman)
Francesco Licciardello
(Managing Director)
Arthur Lagos
(Non-Executive Director)

Executive Management Team
Francesco Licciardello
(Managing Director)
Geoff Reeves
(General Manager, InfoMaster)

Company Secretary
Francesco Licciardello

Auditor
RSM Bird Cameron Partners
Level 8, 525 Collins Street
Melbourne Victoria 3000 Australia

Share Registry
Link Market Services
Level 4, 333 Collins Street
Melbourne Victoria 3000 Australia
Telephone 1300 554 474 or 02 8280 7111

Principal Banker
ANZ Banking Group
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Use of Terms
In the Annual Report, the term "Sirius Group" means Sirius Corporation Limited and its controlled entities.
ABN 94 050 240 330
The alternative terms "Company" and "Sirius" means Sirius Corporation Limited.

Annual General Meeting
The 2010 Annual General Meeting of Sirius Corporation Limited ABN 94 050 240 330 will be held at RSM Bird Cameron, Level 8, Rialto South Tower, 525 Collins Street Melbourne at 11.00am on Tuesday, 23rd November 2010.

Sirius

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Website: www.sirius.com.au

Sirius Corporation Limited
Sirius is a long established software and services company that underwent a change in focus in 2006/07. Its focus is on providing software and services to local and state government departments. The company operates via a federated or hub-and-spoke model which involves Sirius acting as a holding company (hub) for a number of software and service companies. The company is pursuing an acquisition-led growth strategy which envisages strong growth over the next few years.