This is annexure A of 22 pages referred to in form 388:
Copy of financial statements and reports

Director – PETER WALL

Dated this tenth day of September. 2007

CAMMS GROUP HOLDINGS PTY LTD
ABN: 82 103 283 638
AND CONTROLLED ENTITIES

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638 AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your Directors present their report on Camms Group Holdings Pty Ltd ("the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2007. The names of the directors in office at any time during or since the end of the year are:

Adam Robert Keats	Sean Andrew Ebert
Paul David Walker	Trevor John Richards
Peter John Wall	Coleen Eardley

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated

The consolidated profit of the Group for the financial year after providing for income tax and eliminating outside equity interests amounted to $1,654,540 (2006: $447,708)

A review of the operations of the Group during the financial year and the results of those operations shows that there were no significant changes in market demand or competition during the financial year. Operations in Queensland grew from the previous year and contributed to the improved profitability.

No significant changes in the Group's state of affairs occurred during the year.

The principal activities of the Group during the financial year remain unchanged and were the design and integration of industrial process control and information technology systems.

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

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

Dividends paid or declared since the start of the financial year are as follows:

(a) A fully franked dividend of $107,250 was paid on 21 July 2006
(b) A fully franked dividend of $132,990 was paid on 28 December 2006
(c) A fully franked dividend of $1,500,000 was paid on 31 March 2007
(d) A fully franked dividend of $1,000,000 was paid on 1 July 2007

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report. No indemnities have been given, during or since the end of the financial year, for any person who is or has been an officer of the Group.

The Group has paid a premium of $6,160 for insurance against current and former officers' liability for legal costs.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any party of those proceedings. The Company was not a party to any such proceedings during the year.

Director .... Peter John Wall

Director .... Adam Robert Keats

Dated this 10 day of September 2007

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

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Peter John Wall

Director ....
Adam Robert Keats

Dated this 10 day of September 2007

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

Lead Auditor's Independence Declaration under Section 307 of the Corporations Act 2001 to the directors of Camms Group Holdings Pty Ltd

To the directors of Camms Group Holdings Pty Ltd:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2007 there have been:

(a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

IK Footer
Partner

Adelaide

10th September 2007

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
Revenue		19,548,487	16,029,139	-	-
Net gain / (loss) on disposal of non current assets		(1,425)	659,122	-	-
Raw materials and consumables used		(5,364,003)	(6,120,084)	-	-
Personnel expenses		(9,735,502)	(8,081,300)	-	-
Depreciation expense		(154,315)	(323,026)	-	-
Legal settlement – undue preference claim		(350,000)	-	-	-
Other expenses		(1,658,382)	(1,484,546)	(4,124)	(725)
Results from operating activities		2,284,860	679,305	(4,124)	(725)
Financial income	2	79,031	39,151	1,453,344	426,334
Financial expenses	2	(17,456)	(87,629)	-	-
Net financing costs		61,575	(48,478)	1,453,344	426,334
Profit before tax		2,346,435	630,827	1,449,220	425,609
Income tax expense	4	(691,895)	(183,119)	(6,974)	(6,322)
Profit for the year	18	1,654,540	447,708	1,442,246	419,287

The accompanying notes form part of these financial statements

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated		The Company	
		2007 $	2006 $	2007 $	2006 $
Profit for the year		1,654,540	447,708	1,442,246	419,287
Total recognised income and expense for the year		1,654,540	447,708	1,442,246	419,287
Attributable to:					
Equity holders of the parent		1,654,540	447,708	1,442,246	419,287
Total recognised income and expense for the year		1,654,540	447,708	1,442,246	419,287

The accompanying notes form part of these financial statements

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

BALANCE SHEETS AS AT 30 JUNE 2007

	Note	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
Current assets					
Cash and cash equivalents	6	1,446,747	943,070	329,035	426,449
Trade and other receivables	7	4,469,456	3,822,431	2,050,544	2,265,858
Inventories	8	142,053	150,489	-	-
Total current assets		6,058,256	4,915,990	2,379,579	2,692,307
Non-current assets					
Trade and other receivables	7	-	91,284	-	-
Investments	9	-	-	6	6
Plant and equipment	11	366,731	399,751	-	-
Deferred tax assets	12	539,879	242,081	120,000	119,865
Total non-current assets		906,610	733,116	120,006	119,871
Total assets		6,964,866	5,649,106	2,499,585	2,812,178
Current liabilities					
Trade and other payables	13	3,030,178	2,393,274	-	753,225
Interest bearing loans and borrowings	14	232,232	241,218	-	-
Employee benefits	15	425,700	409,500	-	-
Provisions	16	1,148,474	51,380	1,000,000	-
Income tax payable	17	955,593	177,207	955,593	177,207
Total current liabilities		5,792,177	3,272,579	1,955,593	930,432
Non-current liabilities					
Interest bearing loans and borrowings	14	19,344	161,521	-	-
Employee benefits	15	424,200	360,400	-	-
Total non-current liabilities		443,544	521,921	-	-
Total liabilities		6,235,721	3,794,500	1,955,593	930,432
Net assets		729,145	1,854,606	543,992	1,881,746
Equity					
Issued capital	18	223,414	263,174	223,414	263,174
Retained earnings	18	505,731	1,591,432	320,578	1,618,572
Total equity	18	729,145	1,854,606	543,992	1,881,746

The accompanying notes form part of these financial statements

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
Cash flow from operating activities					
Cash receipts from customers		18,773,396	15,742,415	-	-
Cash payments to suppliers and employees		(16,052,014)	(15,426,053)	(4,124)	547
Cash generated from operations		2,721,382	316,362	(4,124)	547
Dividends received		-	-	1,425,973	400,000
Interest received		79,031	39,151	27,820	24,613
Interest paid		(17,456)	(87,629)	-	-
Income tax paid		(225,396)	-	(225,396)	-
Net cash from operating activities	20 (a)	2,557,561	267,884	1,224,273	425,160
Cash flow from investing activities					
Proceeds from sale of non current assets		10,864	3,224,454	-	-
Payments for property, plant and equipment	11	(133,584)	(55,059)	-	-
Acquisition of shares		-	-	-	-
Return of funds from US venture		-	-	-	8,406
Net cash from investing activities		(122,720)	3,169,395	-	8,406
Cash flow from financing activities					
Proceeds from borrowings		-	-	-	-
Repayments of borrowings		(151,164)	(2,695,224)	-	-
Share buy-back		(39,760)	(99,500)	(39,760)	(99,500)
Dividends paid		(1,740,240)	(300,000)	(1,740,240)	(300,000)
Loans to controlled entities		-	-	458,313	387,842
Net cash from financing activities		(1,931,164)	(3,094,724)	(1,321,687)	(11,658)
Net increase/ (decrease) in cash and cash equivalents		503,677	342,555	(97,414)	421,908
Cash and cash equivalents at 1 July		943,070	600,515	426,449	4,541
Cash and cash equivalents at 30 June	20(b)	1,446,747	943,070	329,035	426,449

The accompanying notes form part of these financial statements

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1 Basis of Preparation
Camms Group Holdings Pty Ltd ('the Company') is a company domiciled in Australia. The address of the Company's registered office is 346 Torrens Road, Croydon Park, SA 5008. The consolidated financial report of the Company as at and for the year ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group primarily is involved in the production of industrial process control, automation and information technology systems

(a) Statement of compliance

The financial report is a special purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial report of the Group also complies with the IFRSs and interpretations adopted by the International Accounting Standards Board. The Company's financial report does not comply with IFRSs as the Company has elected to apply the relief provided to parent entities by AASB 132 *Financial Instruments: Disclosure and Presentation* in respect of certain disclosure requirements.

The financial report does not include the disclosure requirements of the following pronouncements having a material effect.

- AASB 114 *Segment Reporting*
- AASB 124 *Related Party Disclosures*
- AASB 132 *Financial Instruments: Disclosure and Presentation*

The financial report was authorised on 10 September 2007.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments are measured at fair value

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with significant risk of material adjustment in the next year are discussed below.

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

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

(e) **Basis of consolidation**

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Details of the controlled entities are contained in Note 10. Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements

(f) **Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined

(g) **Intangible assets**

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the income statement as an expense as incurred

(ii) Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense when incurred

(h) **Share capital**

(i) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from total equity.

(ii) Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(i) **Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances GST is recognised as part of the cost of acquisition or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(j) **Inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. Costs are assigned on a first in first out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(k) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting for taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised Deferred tax assets reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Camms Group Holdings Pty Ltd.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustment to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity , resulting in the head entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter-entity receivable (payable) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligation. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the sharing agreement is considered remote.

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term bills and call deposits.

(m) Trade and other receivables

(i) Project work in progress

Project work in progress is stated at cost plus profit recognised to date (see accounting policy (o(i)) less a provision for foreseeable losses and less progress billings. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

(ii) Other trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy (n).

(n) Impairment

The carrying amount of the Group's assets, other than inventories (see accounting policy (o)) and deferred tax assets (see accounting policy (k)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy (n (i)).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit and loss

(i) Calculation of recoverable amount

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance sheet date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event after the impairment loss was recognised.

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

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

(o) Revenue Recognition

(i) Revenue from projects

Revenues from projects are recognised on the percentage of completion basis measured using the proportion of costs incurred to date as compared to expected total costs. Where losses are anticipated they are provided for in full. Project revenue has been recognised based on the terms of the contract adjusted for any variations or claims allowable under the contract

As soon as the outcome of projects can be estimated reliably, contract revenue and expenses are recognised in the income statement in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. An expected loss on contract is recognised immediately in the Income Statement.

(ii) Revenue from software licensing contracts

Hosting, licensing and software maintenance fees are recognised as revenue in the period in which the fee is earned. That being the period in which all steps required to earn the fees have occurred and the customer has no contractual right to refuse payment. Where the fee revenue is contracted to be received periodically over a period of time, then revenue will be recognised on a monthly basis for the term of the contract.

(p) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the Income Statement on a straight-line basis over the term of the lease.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest in the remaining balance of the liability.

(iii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, foreign exchange gains and losses that are recognised in the income statement. Borrowing costs are expenses as incurred and included in net financing costs.

Interest income is recognised in the Income Statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the Income Statement using the effective interest method.

(q) Plant and equipment

Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses (see accounting policy cost (n)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

The Group recognises the carrying amount of an item of plant and equipment and the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied within the item will flow to the Group and the cost of the item can be reliably measured. All other costs are recognised in the Income Statement as an expense as incurred.

Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

- plant and equipment 4-10 years
- motor vehicles 5-10 years

The residual value, the useful life and the depreciation method applied are reassessed at least annually.

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

(r) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on straight-line bases over their estimated useful lives where it is likely that the entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

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

(s) Trade and other payables

Trade and other payables are states at their amortised cost. Trade accounts payable are normally settled within 60 days.

(t) Employee Benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the Income Statement as incurred.

(ii) Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as cars are expensed based on the net marginal cost to the Group as the benefits are taken by employees.

(iii) Long-term service benefits

The Group's net obligation in respect of long-term services benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Group's obligations.

(u) Non-current assets held for sale

Immediately before classification as held for sale, the measurement of the assets is brought up to date in accordance with applicable accounting standards. Then, on initial classification as held for sale, non-current assets are recognised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

(v) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

	Note	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
2 Financial income and expenses					
Financial income					
Interest received		79,031	39,151	27,371	25,062
Dividends received		-	-	1,425,973	400,000
Foreign currency gain		-	-	-	1,272
		79,031	39,151	1,453,344	426,334
Financial expenses					
Interest paid		17,456	87,629	-	-
3 Auditors' remuneration					
Audit services					
Auditors of the Company					
KPMG Australia: Audit and review of financial reports		31,000	22,000	-	-
Other services					
KPMG Australia: Taxation services		9,030	21,530	-	-
4 Income Tax Expense					
Current tax expense					
Current year		1,003,783	177,207	7,109	(73,531)
Adjustments for prior years		(14,089)	-	-	-
		989,694	177,207	7,109	(73,531)
Deferred tax expense					
Origination and reversal of temporary differences		(297,799)	5,912	(135)	79,853
		(297,799)	5,912	6,974	79,853
Total income tax expense in income statement		691,895	183,119	6,974	6,322
Numerical reconciliation between tax expense and profit before tax					
Profit before tax		2,346,435	630,827	1,449,220	425,609
Income tax using domestic corporate tax rate of 30%		703,931	189,248	434,766	127,682
Increase in income tax expense due to:					
- Non-deductible items		9,851	7,532	-	-
Decrease in income tax expense due to:					
- Corrections related to previous financial year		(14,089)	-	-	-
- Research and development tax concession		(7,798)	(13,661)	-	-
- Non-assessable items		-	-	(427,792)	(121,360)
Total income tax expense on pre-tax net profit		691,895	183,119	6,974	6,322

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

	Note	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
5 Dividends paid and provided					
Dividend fully franked at tax rate of 30% (2006 30%)		2,740,240	300,000	2,740,240	300,000
6 Cash and cash equivalents					
Cash at bank		1,445,937	942,360	329,035	426,449
Cash on hand		810	710	-	-
		1,446,747	943,070	329,035	426,449
7 Trade and other receivables					
Current					
Trade receivables		3,139,980	2,940,288	-	-
Provision for impairment		(110,897)	(31,000)	-	-
		3,029,083	2,909,288	-	-
Project work in progress		1,272,138	759,639	-	-
Receivables from controlled entities		-	-	2,452,494	2,665,409
Provision for impairment		-	-	(400,000)	(400,000)
Prepayments		168,235	153,504	-	449
		4,469,456	3,822,431	2,052,494	2,265,858
Non-Current					
Project work in progress		-	91,284	-	-
8 Inventories					
Consumables on hand		142,053	150,489	-	-
9 Investments					
Investments in controlled entities – at cost		-	-	6	6

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

10 Controlled Entities

Name	*Country of Incorporation*	*% owned 2007*	*2006*
Camms Process Control Pty Ltd	Australia	100%	100%
Camms Shared Services Pty Ltd	Australia	100%	100%
Camms Global Technologies Pty Ltd	Australia	100%	100%
Camms Profit Impact Pty Ltd	Australia	100%	100%
Camms Global Technologies (IP) Pty Ltd	Australia	100%	100%
Camms No 1 Pty Ltd	Australia	100%	100%
Camms International	United States of America	100%	100%

11 Plant and Equipment

	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
Non-Current				
Plant and equipment – at cost	1,737,533	1,838,853	-	-
Less accumulated depreciation	(1,501,096)	(1,607,198)	-	-
	236,437	231,655	-	-
Motor vehicles – at cost	550,959	625,474	-	-
Less accumulated depreciation	(420,665)	(457,378)	-	-
	130,294	168,096	-	-
Total Plant and Equipment	366,731	399,751	-	-

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

11 Plant and Equipment (continued)

Reconciliations of the carrying amounts for each class of plant and equipment are set out below.

	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
Plant and Equipment				
Carrying amount at 1 July	231,655	669,507	-	-
Acquisitions	122,584	55,059	-	-
Disposals	(5,866)	(243,704)	-	-
Depreciation	(111,936)	(249,207)	-	-
Carrying amount at 30 June	236,437	231,655	-	-
Motor Vehicles				
Carrying amount at 1 July	168,096	258,481	-	-
Acquisitions	11,000	-	-	-
Disposals	(6,423)	(29,485)	-	-
Depreciation	(42,379)	(60,900)	-	-
Carrying amount at 30 June	130,294	168,096	-	-

Impairment loss and subsequent reversal
There was no impairment of assets for the financial year ended 30 June 2007.

12 Deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
Assets				
Provision for impairment	(33,269)	(9,300)	(120,000)	(120,000)
Prepayments	(27,027)	(3,946)	-	-
Employee benefits	(254,970)	(230,970)	-	-
Sundry creditors	(190,504)	(29,971)	-	-
Provision for warranty	(44,542)	(15,414)	-	-
Tax value of loss carry-forwards recognised	-	-	-	-
Net deferred tax assets	(550,312)	(289,601)	(120,000)	(120,000)
Liabilities				
Prepayments	-	135	-	135
Unbilled revenue	10,343	47,299	-	-
Plant and equipment	90	86	-	-
Net deferred tax liabilities	10,433	47,520	-	135
Net deferred tax (assets) / liabilities	(539,879)	(242,081)	(120,000)	(119,865)

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

	Note	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
13 Trade and other payables					
Trade payables		1,120,579	1,073,583	-	-
Other payables and accrued expenses		1,163,997	190,188	-	-
Billings in advance – projects		524,437	755,518	-	-
Billings in advance – software licensing		22,785	110,036	-	-
GST payable		198,380	263,949	-	-
Payables to controlled entities		-	-	-	753,225
		3,030,178	2,393,274	-	753,225
14 Interest bearing loans and borrowings					
Current					
Hire purchase liability - secured	19	142,176	168,550	-	-
Insurance premium financing		90,056	72,668	-	-
		232,232	241,218	-	-
Non-current					
Hire purchase liability – secured	19	19,344	161,521	-	-
15 Employee benefits					
Current					
Liability for annual leave		379,200	346,800	-	-
Liability for long service leave		46,500	62,700	-	-
		425,700	409,500	-	-
Non-current					
Liability for long service leave		424,200	360,400	-	-

The Group contributes to defined contribution superannuation funds. The amount recognised as expense was $481,283 for the financial year ended 30 June 2007 (2006: $496,690).

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

16 Provisions

Consolidated	*Warranties*	*Dividend*	*Total*
Balance at 1 July 2005	-	-	-
Provisions made during the year	51,380	-	51,380
Provisions used during the year	-	-	-
Provisions reversed during the year	-	-	-
Balance at 30 June 2006	51,380	-	51,380
Balance at 1 July 2006	51,380	-	51,380
Provisions made during the year	132,456	1,000,000	1,132,456
Provisions used during the year	(35,362)	-	(35,362)
Provisions reversed during the year	-	-	-
Balance at 30 June 2007	148,474	1,000,000	1,148,474

The Company	*Warranties*	*Dividend*	*Total*
Balance at 1 July 2005	-	-	-
Provisions made during the year	-	-	-
Provisions used during the year	-	-	-
Provisions reversed during the year	-	-	-
Balance at 30 June 2006	-	-	-
Balance at 1 July 2006	-	-	-
Provisions made during the year	-	1,000,000	1,000,000
Provisions used during the year	-	-	-
Provisions reversed during the year	-	-	-
Balance at 30 June 2007	-	1,000,000	1,000,000

17 Income tax payable

The current tax liability for the Group of $957,543 (2006: $177,207) and for the Company of $957,543 (2006: $177,207) represent the amount of income taxes payable in respect of current and prior financial periods. In accordance with the tax consolidation legislation, the Company as the head entity of the Australian tax-consolidated group has assumed the current tax liability (asset) initially recognised by the members in the tax consolidated group

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

18 Capital and reserves

Consolidated	*Share Capital*	*Retained earnings*	*Total equity*
Balance at 1 July 2005	362,674	1,443,724	1,806,398
Total recognised income and expenses	-	447,708	447,708
Share buy-back	(99,500)	-	(99,500)
Dividends to shareholders	-	(300,000)	(300,000)
Balance at 30 June 2006	263,174	1,591,432	1,854,606
Balance at 1 July 2006	263,174	1,591,432	1,854,606
Total recognised income and expenses	-	1,654,540	1,654,540
Share buy-back	(39,760)	-	(39,760)
Dividends to shareholders	-	(2,740,240)	(2,740,240)
Balance at 30 June 2007	223,414	505,731	729,145

The Company	*Share Capital*	*Retained earnings*	*Total equity*
Balance at 1 July 2005	362,674	1,499,285	1,861,959
Total recognised income and expenses	-	419,287	419,287
Share buy-back	(99,500)	-	(99,500)
Dividends to shareholders	-	(300,000)	(300,000)
Balance at 30 June 2006	263,174	1,618,572	1,881,746
Balance at 1 July 2006	263,174	1,618,572	1,881,746
Total recognised income and expenses	-	1,442,246	1,442,246
Share buy-back	(39,760)	-	(39,760)
Dividends to shareholders	-	(2,740,240)	(2,740,240)
Balance at 30 June 2007	223,414	320,578	543,992

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

	Note	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
19 Capital and Leasing Commitments					
Hire Purchase Commitments payable:					
- not longer than 1 year		162,641	189,712	-	-
- longer than 1 year but not longer than 5 years		7,058	169,699	-	-
Minimum lease payments		169,699	359,411	-	-
Less future finance charges		(8,179)	(29,340)	-	-
Total Hire Purchase Liability		161,520	330,071	-	-
Current		142,176	168,550	-	-
Non Current		19,344	161,521	-	-
		161,520	330,071	-	-

Hire purchase commitments relate to acquisitions of vehicles, plant and equipment

20 Cash Flow Information

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statements cash flows is reconciled to the related items in the statement of of financial position as follows:

	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
Cash on hand and at bank	1,446,747	943,070	329,035	426,449

(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
Profit from ordinary activities after income tax	1,654,540	447,708	1,442,246	419,287
Non-cash flows in profit from ordinary activities				
Depreciation	154,315	323,026	-	-
Net (gain) / loss on sale of assets	1,425	(659,122)	-	-
Provision for impairment	-	-	-	-
Changes in assets and liabilities				
(Increase) / Decrease in trade debtors	(28,511)	(915,233)	214,865	-
(Increase) / Decrease in prepayments	(14,731)	16,657	449	(449)
(Increase) / Decrease in stock on hand	8,436	24,510	-	-
(Increase) / Decrease in work in progress	(830,831)	595,912	-	-
(Increase) / Decrease in income tax assets	(297,798)	6,912	(135)	-
Increase / (Decrease) in tax payable	778,386	177,207	320,073	6,322
Increase / (Decrease) in trade creditors	46,996	132,859	(753,225)	
Increase / (Decrease) in sundry creditors	973,809	(66,885)	-	-
Increase / (Decrease) in GST payable	(65,569)	49,353	-	-
Increase / (Decrease) in employee entitlements	80,000	84,600	-	-
Increase / (Decrease) in provision for warranty	97,094	51,380	-	-
	2,557,561	267,884	1,224,273	425,160

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The Directors have determined that the Group is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 21 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the financial position of the Company and the Group as at 30 June 2007 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date in accordance with the basis of accounting described in Note 1; and

   (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements to the extent described in Note 1; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

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

Director ....
Peter John Wall

Director ....
Adam Robert Keats

Dated this 10 day of September 2007

CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The Directors have determined that the Group is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 21 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the financial position of the Company and the Group as at 30 June 2007 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date in accordance with the basis of accounting described in Note 1; and

   (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements to the extent described in Note 1; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director............................ Director............................
Peter John Wall Adam Robert Keats

Dated this 10 day of September 2007

KPMG

Independent audit report to the members of Camms Group Holdings Pty Ltd

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Camms Group Holdings Pty Ltd ('the Company'), which comprises the Balance Sheets as at 30 June 2007, and the Income Statements, Statements of Recognised Income and Expenses and Cash Flow Statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration set out on pages 4 to 22 of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 of the financial statements, which form part of the financial report, are appropriate to meet the needs of the members. The directors' responsibility also 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of members. 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 reasonableness of accounting estimates made by the director's, as well as evaluating the overall presentation of the financial report.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1 of the financial statements so as to present a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance and cash flows.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting obligations. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

KPMG

Auditor's Opinion

In our opinion:

(a) the financial report presents fairly, in all material respects, the financial position of Camms Group Holdings Control Pty Ltd and the Group as at 30 June 2007 and of their performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

KPMG

KPMG

I K Footer
Partner

Adelaide

10 September 2007