APPENDIX 4D
HALF-YEAR INFORMATION GIVEN TO THE ASX
UNDER LISTING RULE 4.2A

Name of entity	**BSA Limited**
ABN	**50 088 412 748**
Half year ended	**31 December 2013**
Previous corresponding period	**31 December 2012**

The information contained in this report should be read in conjunction with the most recent annual financial report.

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Details of associates and joint venture entities	**4.**
Dividends	**5.**
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1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$'000
Revenue from ordinary activities	Up	***5.9%***	to	***248,352***
Profit/(Loss) from ordinary activities after income tax attributable to members	Down	***(1371.3%)***	to	***(23,367)***
Net profit/(loss) for the period attributable to members	Down	***(1371.3%)***	to	***(23,367)***

Dividends per Share	Amount per share	Franked amount per share at 100% tax
Final - FY 2013	***0.0*** cents	***0.0*** cents
Interim - FY 2014	***0.0*** cents	***0.0*** cents

Record date for determining entitlements to dividends ***N/A***
Payment date of dividend ***N/A***

Explanation of Revenue

BSA Group
The revenue for the period increased by $13.9 million to $248.4 million representing an increase of 6% against the previous corresponding reporting period of $234.5 million.

Technical Field Force Solutions
The revenue for the period increased $11.5 million to $74.5 million, compared to the previous corresponding reporting period of $63.0 million. Overall volumes increased with the commencement of the new Foxtel Regional contract and the Home Assistance Scheme contract providing six months revenue in H1 FY14 compared with three months revenue in H1 FY13.

Technical Design & Construction Projects

Revenue for the period decreased $4.0 million to $123.8 million compared to the previous corresponding reporting period of $127.8 million primarily due to the timing of project income.

Technical Maintenance Sevices

The revenue for the period increased by $6.4 million to $50.1 million compared to the previous corresponding reporting period of $43.7 million, primarily due to increased project income in metropolitan Perth and Darwin.

Explanation of Net Loss before Tax

BSA Group
Loss for the period of $29.0 million, was lower by $31.5 million compared to the previous corresponding reporting period profit of $2.5 million. This was largely attributable to non-recurring key project provisions and profit reductions of $20.4 million and impairment of intangible goodwill assets of $10 million.

Technical Field Force Solutions
Profit for the period of $1.1 million, excluding head office allocations, was lower than the previous corresponding reporting period of $2.6 million mainly due to the high mobilisation costs associated with the Foxtel Regional contract.

Technical Design & Construction Projects
Loss for the period of $24.5 million was lower compared to the previous corresponding reporting period profit of $2.0 million. The loss was largely due to impairment of intangible goodwill of $10 million and as a result of legacy projects now coming to an end which have resulted in increased non-recurring key project provisions and profit reductions of $20.4 million . Provisions relate to largely completed projects with net cash inflows expected in H2 on completion of the projects.
The order book at December 2013 totalled $279 million, compared to $277 million at end of June 2013.

Technical Maintenance Services
Loss for the period of $0.4 million, excluding head office allocations, was lower compared to the previous corresponding reporting period profit of $1.3 million, largely as a result of reduced margins in Q1 which have increased significantly in Q2 FY14.

	Current Period	Previous corresponding period
2. NET TANGIBLE ASSETS PER ORDINARY SHARE (NTA backing)	(3.32) cents	4.11 cents

3. DETAILS OF CONTROLLED ENTITIES

3.1 Control Gained Over Entities During the Period

Name of entity	***N/A***
Date control acquired, i.e. date from which profit/(loss) has been calculated.	
Profit/(loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period *since the date on which control was acquired.*	-
Profit/(loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) for the *whole of the previous corresponding period.*	-

3.2 Loss of Control of Entities During the Period Nil

4. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

4.1 Equity Accounted Associates and Joint Venture Entities Nil

4.1 Equity Accounted Associates and Joint Venture Entities

	% Ownership Interest	
	Current Period %	**Previous Corresponding Period %**
Not Applicable		

4.2 Aggregate Share of Profits(Losses) of Associates and Joint Venture Entities Nil

5. DIVIDENDS

	Current Period $'000	Previous corresponding period $'000
5.1 Dividends per Share		
(a) Ordinary Shares		
No final dividend for FY13 was paid. (2012: 1.0 cent).	-	2,289
(b) Dividends not recognised at the end of the current period		
The directors have not declared the payment of an interim dividend for the current financial year (2012:0.5 cent).	-	1,144
(c) None of these dividends are foreign sourced		

5.2 Dividend Reinvestment Plan

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares will be allotted or transferred under the DRP for a price which is equal to the arithmetic average of the daily volume weighted average market price (rounded to the nearest whole cent) of all fully paid shares of that class sold on the ASX (excluding special crossings and other categories reasonably determined by the Directors as distorting the fair market value of the shares) during the ten trading days commencing on the second trading day following the relevant Record Date, determined by reference to such information as the Directors approve for the purpose from time to time.

The Company's Dividend Reinvestment Plan (DRP) has been suspended.

6. ACCOUNTING STANDARDS

AASB Standards, other AASB authoritative pronouncements and Interpretations have been used in compiling the information contained in this Appendix 4D.

7. AUDIT DISPUTES OR QUALIFICATIONS

Nil

BSA LIMITED

HALF-YEAR REPORT

For the Half-Year Ended 31 December 2013

ABN 50 088 412 748

BSA Limited

For the Half-Year Ended 31 December 2013

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This Half-Year Report covers the consolidated entity consisting of BSA Limited and its subsidiaries. The Financial Report is presented in the Australian currency.

BSA Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

BSA Limited
7 Figtree Drive
Sydney Olympic Park NSW 2127

This interim financial report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by BSA Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Half-Year Report was authorised for issue by the Directors on 28 February 2014

BSA LIMITED and its Controlled Entities
Directors' Report

The Directors of BSA Limited submit herewith the Financial Report of BSA Limited and its subsidiaries (the Group) for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the Directors of the Company during or since the end of the half-year are:

Name

Ross Johnston	Paul Teisseire
Stephen Nash	Michael Givoni
Mark Lowe	Daniel Collis

The above named Directors held office during and since the end of the half-year.

Review of Operations

A summary of the consolidated revenues and results by significant industry segment is set out below:

	Revenue Half-year ended		Segment Profit Half-year ended	
	31 Dec 13 $'000	31 Dec 12 $'000	31 Dec 13 $'000	31 Dec 12 $'000
Continuing operations				
Technical Field Force Solutions	74,531	63,037	1,053	2,648
Technical Design and Construction Projects	123,783	127,849	(24,489)	1,966
Technical Maintenance Services	50,090	43,660	(409)	1,263
Other	69	60	-	-
	248,473	234,606	(23,845)	5,877
Corporate costs including acquisition, legal and advisory			(4,066)	(2,561)
Finance costs			(1,098)	(839)
(Loss) / Profit before income tax			(29,009)	2,477
Income tax expense			5,642	(639)
Consolidated segment revenue and (loss) / profit for the period	248,473	234,606	(23,367)	1,838

Review of Operations (cont'd)

Operating Cash Flow

Operating cash out-flow totalled $10.5 million (prior corresponding period (pcp): $20.8 million) and was impacted by increases in working capital on largely completed projects and contract mobilisations. As a result the Company finished the first half with net debt of $32.7 million compared to net debt of $20.4 million at 30 June 2013. BSA expects this position to improve during the second half as contracts mobilised in the first half deliver positive cash flows and strong cash inflows from construction projects leading to a net debt reduction by 30 June 2014.

Technical Design and Construction Projects (TDCP)

The TDCP business unit had a lower first half revenue of $124m compared with the prior corresponding period of $128m primarily due to the timing of project income. It had a lower EBITDA of -$13.3m compared to $3.1m for the prior corresponding period primarily as a result of $20.4m of non recurring project provisions and profit reductions on largely completed projects. Provisions relate to largely completed projects with net cash inflows expected in H2.

Income from Key projects in the Commercial, Healthcare and University sectors include New Royal Adelaide Hospital,Indooroopilly Shopping centre, Woodgrove Shopping centre, Park Lane residential, Swinburne University of Technology , Edith Cowan University, Metropolitan Fire Brigade training facility, 150 Collins Street offices, Fiona Stanley Hospital, Gold Coast University Hospital Clinical Services Building .

During the first half the following notable projects were secured:

- Old Treasury Building $21.9m
- 32 St Georges Terrace $7.4m
- Strawberry Hills Australia Post $5.7m

Contracted work on hand for the TDCP business unit is strong and stands at $279 million.

The result for the period was largly due to legacy issues which resulted in increased non-recurring key provisions and profit reductions of $20.4 million and impairment of intangible goodwill assets of $10 million. Second half profit and cashflow are expected to be strong due to the ramp up of key projects and cash inflows from largely completed projects.

Technical Maintenance Services (TMS)

The TMS business unit had a higher first half revenue of $50m compared with revenue of $44m for the prior corresponding period. West Coast operations increased revenue over the previous corresponding period by $4.4 million primarily due to increased project revenue in metropolitan Perth and Darwin. East Coast operations revenue was steady compared to the previous corresponding period.

EBITDA in the first half totalled $1.0m compared to $2.6m in the prior corresponding period largely as a result of reduced margins in the first quarter. Second half results are expected to show improved margins following efficiencies and contract mobilisations delivered in the first half.

Technical Field Force Solutions

The TFFS business unit, although having a higher first half revenue of $75m compared to the prior corresponding period of $63m, had lower EBITDA for the first half of $1.8m compared with EBITDA of $3.3m for the prior corresponding period primarily due to the extended mobilisation and bedding down of the new Foxtel Regional contract, which started to generate income from October 2013.

During the first half this business unit was successful in winning a $20 million contract with Singtel Optus Pty Limited for the installation and maintenance of HFC, ULL and Optus business services to 2017. This contract will be mobilised in the second half, with income expected to generate from March 2014 .

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is included on page 10.

Rounding of Amounts

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the Directors' Report and the Financial Report to the nearest thousand dollars. Amounts have been rounded off in the Directors' Report and Financial Report in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors made pursuant to s. 306(3) of the Corporations Act 2001 and is signed for and on behalf of the Directors by:

Ross Johnston
Chairman

Stephen Nash
Managing Director

Sydney
28 February 2014

Deloitte.

Deloitte Touche Tohmatsu
ABN: 74 490 121 060

Eclipse Tower
Level 19
60 Station Street
Parramatta NSW 2150
PO Box 38
Parramatta NSW 2124 Australia

DX 28485
Tel: +61 (0) 2 9840 7000
Fax: +61 (0) 2 9840 7001
www.deloitte.com.au

The Board of Directors
BSA Limited
7 Figtree Drive,
Sydney Olympic Park
NSW 2127

28 February 2014

Dear Board Members

BSA Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of BSA Limited.

As lead audit partner for the review of the financial statements of BSA Limited for the half-year ended 31 December 2013, 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Glen Sanford
Partner
Chartered Accountants

BSA LIMITED

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2013

	Note	Consolidated Half Year Ended 31 December 2013 $'000	Consolidated Half Year Ended 31 December 2012 $'000
Revenue	3	248,352	234,485
Other Income	3	121	121
Changes in inventories of finished goods and work in progress		(599)	1,200
Subcontractors and raw materials used (Note A below)	9	(217,647)	(193,748)
Employee benefits expense		(21,054)	(20,883)
Depreciation and amortisation expenses(Note A below)	9,10	(14,161)	(4,013)
Finance costs		(1,098)	(839)
Occupancy expense		(3,418)	(2,983)
Other expenses		(19,505)	(10,863)
(Loss) / Profit before tax	9	(29,009)	2,477
Income tax expense		5,642	(639)
(Loss) / Profit for the period	9	(23,367)	1,838
Other comprehensive income for the period (net of tax)		-	-
Total comprehensive income	9	(23,367)	1,838
		Cents	**Cents**
Basic earnings per share		(10.21)	0.80
Diluted earnings per share		(10.05)	0.79

Note A: Includes amounts classified as significant items. Refer to Note 9 for further details.

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

BSA LIMITED

Condensed Consolidated Statement of Financial Position
as at 31 December 2013

	Note	Consolidated Entity 31 December 2013 $'000	 30 June 2013 $'000
CURRENT ASSETS			
Cash and cash equivalents		1,505	2,009
Trade and other receivables		81,214	85,190
Inventories		4,603	5,202
Current tax assets		2,382	1,206
Total Current Assets		**89,704**	**93,607**
NON-CURRENT ASSETS			
Trade and other receivables		1,279	1,279
Property, plant and equipment		16,413	17,866
Deferred tax assets		7,111	1,981
Goodwill		45,185	55,185
Intangible assets		6,752	7,473
Other financial assets		4	3
Total Non-Current Assets		**76,744**	**83,787**
TOTAL ASSETS		**166,448**	**177,394**
CURRENT LIABILITIES			
Trade and other payables		71,247	70,532
Borrowings	8	22,569	8,545
Provisions		8,080	8,054
Total Current Liabilities		**101,896**	**87,131**
NON-CURRENT LIABILITIES			
Borrowings	8	11,679	14,008
Provisions		1,175	1,218
Other Liabilities		249	242
Total Non-Current Liabilities		**13,103**	**15,468**
TOTAL LIABILITIES		**114,999**	**102,599**
NET ASSETS		**51,449**	**74,795**
EQUITY			
Issued capital		77,797	77,797
Reserves		1,334	1,313
Accumulated losses		(31,544)	(8,177)
Profit Reserve	2	3,862	3,862
TOTAL EQUITY		**51,449**	**74,795**

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

BSA LIMITED

Condensed Consolidated Statement of Cash Flows
for the Half-Year Ended 31 December 2013

	Notes	Consolidated Entity Half Year 31 December 2013 $'000	Consolidated Entity Half Year 31 December 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		284,156	249,676
Payments to suppliers and employees		(292,857)	(265,194)
Interest and other costs of finance paid		(1,116)	(804)
Income taxes paid		(664)	(4,519)
Net cash outflow from operating activities		(10,481)	(20,841)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		87	90
Payments for plant and equipment		(1,972)	(3,105)
Proceeds from sale of plant and equipment		109	220
Payment for businesses		-	(188)
Net cash outflow from investing activities		(1,776)	(2,983)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		16,542	20,324
Proceeds from repayment of executive loans		-	3
Repayment of borrowings		(3,363)	(10,799)
Payment of finance lease liabilities		(1,426)	(1,483)
Dividends paid		-	(2,289)
Net cash inflow from financing activities		11,753	5,756
NET DECREASE IN CASH AND CASH EQUIVALENTS		(504)	(18,068)
Cash and cash equivalents at the beginning of the period		2,009	24,734
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,505	6,666

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

BSA LIMITED

Condensed Consolidated Statement of Changes in Equity
for the Half-Year Ended 31 December 2013

	Issued capital $'000	Accumulated losses $'000	Profit Reserve (refer Note 2) $'000	Share-based payment reserve $'000	Cash flow hedge reserve $'000	Total equity $'000
Balance at 1 July 2012	**77,797**	**(8,177)**	**3,532**	**1,522**	**(25)**	**74,649**
Profit for the period	-	-	1,838	-	-	1,838
Total comprehensive income for the period	-	-	1,838	-	-	1,838
Dividends paid	-	-	(2,289)	-		(2,289)
Share-based payment expense	-	-	-	26		26
Shares issued during period	-	-	-	-	-	-
Balance at 31 December 2012	**77,797**	**(8,177)**	**3,081**	**1,548**	**(25)**	**74,224**
Balance at 1 July 2013	**77,797**	**(8,177)**	**3,862**	**1,354**	**(41)**	**74,795**
Loss for the period	-	(23,367)	-	-	-	(23,367)
Total comprehensive income for the period	-	(23,367)	-	-	-	(23,367)
Dividends paid	-	-	-	-		-
Share-based payment expense	-	-	-	21	-	21
Shares issued during period	-	-	-	-	-	-
Balance at 31 December 2013	**77,797**	**(31,544)**	**3,862**	**1,375**	**(41)**	**51,449**

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

Note 1. Significant accounting policies

(a) Statement of compliance

The Half-Year Financial Report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Half-Year Report does not include notes of the type normally included in an Annual Financial Report and should be read in conjunction with the most recent Annual Financial Report.

(b) Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the Half-Year Financial Report are rounded off to the nearest thousand dollars unless otherwise indicated.

The accounting policies and methods of computation adopted in preparation of the Half-Year Financial Report are consistent with those adopted and disclosed in the Company's 2013 Annual Financial Report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(c) Significant accounting judgments, estimates and assumptions

In the application of the BSA Limited's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(d) Adoption of new and revised standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'

Impact of the application of AASB 10

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee. Some guidance included in AASB 10 that deals with whether or not an investor that owns less than 50 per cent of the voting rights in an investee has control over the investee is relevant to the Group.

However, this change did not result in any changes to the Half-Year Financial Report.

Impact of the application of AASB 12

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements. However, this did not result in any changes to the Half-Year Financial Report.

Impact of the application of AASB 13

The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2012 comparative period, the application of AASB 13 has not had any impact on the amounts recognised in the consolidated financial statements, but has impacted the disclosures.

Impact of the application of AASB 119

In the current year, the Group has applied AASB 119 (as revised in 2011) 'Employee Benefits' and the related consequential amendments for the first time.

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The application of this change to AASB 119 (as revised in 2011) has not had any impact on the amounts recognised in the consolidated financial statements.

In addition, AASB 119 also changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the Company as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

Note 2. Profit Reserve

	31 December 2013 $'000	31 December 2012 $'000
Movements in profit reserve were as follows:		
Balance at beginning of year	3,862	3,532
Net (loss)/profit for the year	-	1,838
Dividends paid	-	(2,289)
Balance at end of reporting period	3,862	3,081

Note 3. Segment Information

(a) AASB 8 Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Products and services from which reportable segments derive their revenues

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is more specifically focused on the category of customer for each type of service. The Group's reportable msegments under AASB 8 are therfore as follows:

Technical Field Force Solutions

Technical Field Force Solutions provides contracting services to the telecommunications, subscription television and communication industries. The contracting services includes the delivery of bundled services over hybrid fibre coax network, the installation of subscription television, the installation of free to air television antennas and security systems.

Technical Design and Construction Projects

Technical Design and Construction Projects provides the design and installation of building services for commercial and industrial buildings including mechanical services, air conditioning, heating and ventilation (HVAC), refrigeration and fire services.

Technical Maintenance Services

Technical Maintenance Services provides the maintenance of building services for commercial and industrial buildings including, mechanical services, HVAC, and fire services.

Other

Interest income that is not allocated to the operating segments.

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

	Revenue Half-year ended		Segment profit Half-year ended	
	31 Dec 13 $'000	31 Dec 12 $'000	31 Dec 13	31 Dec 12 $'000
Continuing operations				
Technical Field Force Solutions	74,531	63,037	1,053	2,648
Technical Design and Construction Projects	123,783	127,849	(24,489)	1,966
Technical Maintenance Services	50,090	43,660	(409)	1,263
Other	69	60	-	-
Revenue from external customers	248,473	234,606	(23,845)	5,877
Corporate costs including acquisition, legal and advisory			(4,066)	(2,561)
Finance costs			(1,098)	(839)
Profit before tax			(29,009)	2,477
Income tax expense			5,642	(639)
Consolidated segment revenue and (loss) / profit for the period	248,473	234,606	(23,367)	1,838

The following is an analysis of the Group's assets by reportable operating segment:

	31 Dec 13 $'000	31 Dec 12 $'000
Continuing operations		
Technical Field Force Solutions	61,767	48,460
Technical Design and Construction Projects	73,587	130,605
Technical Maintenance Services	31,094	6,549
Total assets	166,448	185,614

Note 4. Dividends

	Half Year Ended	
	31 Dec 13 $'000	31 Dec 12 $'000
Ordinary Shares		
There were no dividends paid during the half-year	-	2,289
Dividends not recognised at the end of the half-year		
The Directors have not declared the payment of an interim dividend for the current financial year (2012:0.5 cent per fully paid ordinary share fully franked at the rate of 30%). The aggregate amount of the proposed dividend which has not been included as a liability in the Half-Year Financial Report, is:	-	1,144

Note 5. Equity Securities Issued

	Half Year Ended		Half Year Ended	
	31 Dec 13 Shares	31 Dec 12 Shares	31 Dec 13 $'000	31 Dec 12 $'000
Issues of Ordinary Shares During the Half-Year				
There were no shares issued during the half-year	-	-	-	-
	-	-	-	-

Issued Capital as at 31 December 2013 amounted to $77,797 thousand (228,861,202 shares).

Note 6. Subsequent Events

No significant events have occurred since balance date.

Note 7. Key Management Personnel

Remuneration arrangements of key management personnel are disclosed in the Annual Financial Report.

Note 8. Banking Facilities

During the period the Company signed a new bank facility with the National Australia Bank Limited.

The following facilities were available at balance date:

		Consolidated	
		31 Dec 13 $'000	31 Dec 12 $'000
	Total Facilities:		
i	Bank Loans	12,950	17,813
ii	Debtor Finance Facility	16,000	16,000
ii	Overdraft Facility	10,000	-
ii	Equipment Finance Facility	10,500	10,500
		49,450	44,313
	Used at balance date:		
i	Bank Loans	12,950	17,813
ii	Debtor Finance Facility	12,551	-
ii	Overdraft Facility	-	-
ii	Equipment Finance Facility	6,434	8,243
		31,935	26,056
	Unused at balance date:		
i	Bank Loans	-	-
ii	Debtor Finance Facility	3,449	16,000
ii	Overdraft Facility	10,000	-
ii	Equipment Finance Facility	4,066	2,257
		17,515	18,257

i All facilities have an expiry date of 30 March 2015.
ii Subject to annual review on 30 November 2014.
The Group is in compliance with Bank Covenants and knows no reason why the annual review should not be approved.

The Directors consider that all other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Note 9. Significant Items

Impairment of intangible goodwill assets	10,000	-
Non-recurring key project provisions and profit reductions	20,353	-
Total significant item expenses	30,353	-

Note 10. Non-Current Assets - Goodwill

	Consolidated	
	31 December 2013 $'000	31 December 2012 $'000
Cost		
Balance at the beginning of year	56,720	56,580
Additional amounts recognised from business combinations occurring during the year	-	15
Balance at 31 December	56,720	56,595
Accumulated impairment losses		
Balance at the beginning of year	(1,535)	(1,535)
Impairment losses recognised in the year	(10,000)	-
Balance at end of year	(11,535)	(1,535)
Closing carrying value at 31 December	45,185	55,060

Impairment Disclosures

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

CGU	Carrying Value of Goodwill 31 December $'000	Carrying Value of Goodwill 31 December $'000
Technical Field Force Solutions	11,490	11,490
Technical Design & Construction Projects	24,885	34,885
Technical Maintenance Services	8,810	8,685
Total	45,185	55,060

The recoverable amount of each cash generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a five year period with the period extending beyond five years extrapolated using an estimated growth rate of 1.0% for Technical Field Force Solutions, 2.0% for Technical Design & Construction Projects and 1.0% for Technical Maintenance Services. The cash flows are discounted using the weighted average cost of capital at the end of the budget period.

After completion of the value-in-use calculations, the Directors have resolved to impair the carrying value of the TDCP intangible goodwill by $10 million at 31 December 2013.

The following assumptions were used in the value-in-use calculations:

	31 December 2013 Growth Rate	31 December 2013 Discount Rate	31 December 2012 Growth Rate	31 December 2012 Discount Rate
Technical Field Force Solutions (TFFS)				
2013			(12.82%)	15.02%
2014	16.20%	16.05%	3.00%	15.02%
2015	3.00%	16.05%	3.00%	15.02%
2016	3.00%	16.05%	3.00%	15.02%
2017	3.00%	16.05%	3.00%	15.02%
2018	3.00%	16.05%	-	-
2019	3.00%	16.05%	-	-
Term Year	1.00%	16.05%	3.00%	15.02%
Technical Design & Construction Projects (TDCP)				
2013			(2.87%)	15.86%
2014	7.00%	16.00%	3.00%	15.86%
2015	2.10%	16.00%	3.00%	15.86%
2016	1.10%	16.00%	3.00%	15.86%
2017	3.00%	16.00%	3.00%	15.86%
2018	3.00%	16.00%	-	-
2019	3.00%	16.00%	-	-
Term Year	2.00%	16.00%	3.00%	15.86%
Technical Maintenance Services (TMS)				
2013			31.29%	15.31%
2014	15.20%	16.80%	4.00%	15.31%
2015	4.00%	16.80%	4.00%	15.31%
2016	3.00%	16.80%	4.00%	15.31%
2017	3.00%	16.80%	4.00%	15.31%
2018	3.00%	16.80%	-	-
2019	3.00%	16.80%	-	-
Term Year	1.00%	16.80%	3.00%	15.31%

Note 10. Non-Current Assets - Goodwill

Management has based the value-in-use calculations on Board approved forecasts for each reporting segment for FY2014. Forecasts have been used for FY's 2015-2019. These forecasts use historical weighted growth rates to project revenue and rates at which contracts are currently being written. Costs are calculated taking into account historical gross margins. Estimated weighted average inflation rates over the period which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

Impact of possible changes to key assumptions

Growth Rate

Management has assumed a conservative growth rate for all cash-generating units and does not believe that any reasonably possible change would have a material effect on the recoverable amount of the goodwill.

Gross Margin

TFFS - In a sensitivity analysis, Management estimates that a 1% reduction in gross margin would cause a reduction in enterprise value of $11.2 million and a resultant impairment of $6.9 million, and a 0.4% reduction in gross margin would result in a break even between carrying value and an enterprise value calculation. A sensitivity analysis around 1% has been chosen due to the underlying stability of the TFFS business operation model, predominantly based on the back of long term contracts with major clients. Forecast gross margin percentage is anticipated to improve slightly over the value-in-use cash flow projection period.

TDCP - In a sensitivity analysis, Management estimates that a 1% reduction in gross margin could cause a reduction in enterprise value of $18.1 million and a resultant impairment of up to $17.8 million, and no reduction in gross margin will result in a break even between carrying value and an enterprise value calculation. A sensitivity analysis around 1% has been chosen due to the competitive nature of the industry that TDCP operates in that has resulted in lower than expected margin performance. Forecast gross margin percentage is anticipated to improve based on a mix of improved margin contracts currently underway.

TMS - In a sensitivity analysis, Management estimates that a 1% reduction in gross margin could cause a reduction in enterprise value of $8.1 million and a resultant headroom of $0.3 million, and a 1.0% reduction of gross margin would result in a break even between carrying value and an enterprise value calculation. A sensitivity analysis around 1% has been chosen due to the underlying stability of the TMS business operation model, predominantly based on a spread of work across, maintenance contracts, service and small project work. Forecast gross margin percentage is anticipated to remain steady over the value-in-use cash flow projection period.

Working Capital

Key components affecting working capital include debtor day collections, accounts payable days, and project Work In Progress days. Management believe the assumptions used in the cash flow projection period are conservative based on historical performance and do not take into account initiatives to improve these metrics going forward. Applying sensitivity analysis impacts each respective cash-generating-unit as follows:

TFFS – A sensitivity in adversely impacting working capital based on collecting debtors two days later, paying creditors two days earlier would reduce enterprise value by $2.1 million resulting in headroom of $2.2 million.

TDCP – A sensitivity in adversely impacting working capital based on collecting debtors two days later, paying creditors two days earlier, and WIP reducing two days would reduce enterprise value by $5.3 million resulting in impairment of $5.0 million.

TMS - A sensitivity in adversely impacting working capital based on collecting debtors two days later, paying creditors two days earlier, and WIP reducing two days would reduce enterprise value by $2.2 million and resulting in headroom of $6.2 million.

Combined Scenario (Gross Margin and Working Capital Impact):

An assessment of combining the impact of two of the above variables (Gross Margin % and Working Capital) results in a potential reduction in enterprise value of $46.9m and impairment in each CGU (TFFS $9.1m, TDCP $23.0m, TMS $1.8m).

Declaration by Directors

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached Financial Statements and Notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

Ross Johnston
Chairman

Stephen Nash
Managing Director

Sydney
28 February 2014

Deloitte.

Deloitte Touche Tohmatsu
ABN: 74 490 121 060

Eclipse Tower
Level 19
60 Station Street
Parramatta NSW 2150
PO Box 38
Parramatta NSW 2124 Australia

DX 28485
Tel: +61 (0) 2 9840 7000
Fax: +61 (0) 2 9840 7001
www.deloitte.com.au

Independent Auditor's Review Report to the members of BSA Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of BSA Limited, which comprises the condensed statement of financial position as at 31 December 2013, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration as set out on page 10 to 20.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of BSA Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of BSA Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BSA Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Glen Sanford
Partner
Chartered Accountants
Parramatta, 28 February 2014