

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
ACN 080 344 190**

**ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2012**

INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED  
ACN 080 344 190

ANNUAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2012

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This financial report covers Industry Number Management Services Limited as an individual entity.

Industry Number Management Services Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 102  
24-30 Springfield Ave  
POTTS POINT NSW 2011

A description of the nature of the company's operations and its principal activities is included in the directors' report on page 1.

The financial statements were authorised by the board of directors on 25 September 2012. The company has the power to amend and reissue those statements.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**DIRECTORS' REPORT**

The directors present their report on Industry Number Management Services Limited ("the company") for the financial year ended 30 June 2012.

**DIRECTORS**

The following persons were directors and officers of the company at any time during, or since the end of, the year. Unless otherwise stated, the Director was in office for the whole of the financial year and up to the date of this report:

<b>Name</b>	<b>Representing</b>	<b>Meetings eligible to attend during financial year</b>	<b>Number Attended</b>
A.G. Westwood	Telstra	11	10
R.J.R. Nicoll	Primus	11	9
R.A. Stern	Optus	11	8
M. Horton	AAPT	11	9

**Alternate Board Representatives**

R. Spencer	Telstra	11	10
N. Lee	Primus	11	2
J. Dizon	Optus	11	8
A. Ghulani	AAPT	11	1

Andrew Westwood (Director) – Andrew has over 13 years experience in the telecommunications industry.

Roger Nicoll (Director) B.E. (Hons), M.E. (Electrical/Electronic) – Roger has over 14 years experience in the telecommunications industry.

Richard Stern (Director) – B.E (Elect), MBA, Reg. PM AIPM – Richard has 24 years experience in the telecommunications industry.

Matthew Horton (Director) – B.Int.Trade., Grad.Dip.H.R.M. - Matthew has over 8 years experience in the telecommunications industry.

Robert Spencer (Alternate Director) B.E. (Electrical) – Bob has over 34 years experience in the telecommunications industry.

Nigel Lee (Alternate Director) B.E. (Electrical) – Nigel has over 13 years experience in the telecommunications industry.

Jade Dizon (Alternate Director) - B.E. (Electrical) – Jade has over 15 years experience in the telecommunications industry.

Amit Ghulani (Alternate Director) – MBA. – Amit has over 15 years experience in the telecommunications industry.

Megan McEwin (Company Secretary) L.L.B. (Hons) – Megan has over 13 years experience in the telecommunications industry.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**DIRECTORS' REPORT**  
(continued)

**OBJECTIVE AND STRATEGIES**

**(a) Short Term Objectives**

Industry Number Management Services Limited ("INMS") aims to provide 13/1300/1800 number portability and allocation services and short-digit Premium Rate number allocation services to the telecommunications industry on a not-for-profit basis in pursuit of the long term interests of end users in Australia.

INMS aims to operate on a break-even basis by charging its subscribers sufficient fees to recover costs. To achieve this, each year INMS looks at previous financial and transaction data to determine the fees required for the forthcoming financial year. Fees for delegated services must be pre-approved by the Australian Communications and Media Authority ("ACMA"). Non-delegated fees do not require the approval of the ACMA, however INMS applies a similar process for determining these fees as it does for the delegated fees. At the end of the financial year, INMS must determine if it has made a profit or a loss and take that into account when determining the fees for the forthcoming financial year.

**(b) Long Term Objectives**

The long term objectives of INMS are:

- to administer and manage 13/1300/1800 Portability Services including acting as a delegate of the ACMA pursuant to section 467 of the Telecommunications Act 1997 to further the objects of Part 22 of that Act;
- to administer and manage short-digit Premium Rate Numbers including acting as delegate of the ACMA pursuant to section 467 of the Telecommunications Act 1997 to further the objects of Part 22 of that Act;
- to administer the number database of 13/1300/1800 and Premium Rate numbers and to make available to participants its contents in accordance with the INMS Business Rules;
- to provide access to 13/1300/1800 Portability Services to Carriage Service Providers ("CSPs") on a non-discriminatory basis (that is whether they are Members or not), on reasonable commercial terms and for access between CSPs to differ only to the extent of any differing requirements of CSPs;
- to provide access to short-digit Premium Rate Allocation Services to all CSPs on a non-discriminatory basis (that is whether they are Members or not), on reasonable commercial terms and for access between CSPs to differ only to the extent of any differing requirements of CSPs;
- to facilitate the dissemination of information regarding 13/1300/1800 Portability and Allocation Services and short-digit Premium Rate Allocation Services to Members and those who contract for services from INMS; and
- to operate as a not-for-profit company and to act in the community interest to enable the provision of 13/1300/1800 Portability and Allocation Services and short-digit Premium Rate Allocation Services to the industry in pursuit of the long term interests of end users in Australia.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**DIRECTORS' REPORT**  
(continued)

**PRINCIPAL ACTIVITIES OF THE COMPANY**

INMS's operations are designed to meet the regulatory requirements for Carriage Services Providers ("CSPs") to be able to provide number portability for Freephone (1800) and Local Rate (13/1300) numbers. Under the Telecommunications Act 1997, the Australian Competition and Consumer Commission ("ACCC") is charged with the responsibility of issuing directions to the ACMA on telephone portability rules. The introduction of number portability has enabled customers to change their telecommunications provider without changing their existing telephone number.

To facilitate portability, INMS also allocates Freephone and Local Rate numbers on behalf of the ACMA. On 31 March 2004, INMS commenced allocating short-digit Premium Rate numbers on behalf of the ACMA.

**PERFORMANCE MEASURES**

INMS uses the following measures of its performance:

- INMS assesses the performance of its number database by measuring its performance against strict service levels that have been agreed with its subscribers.
- INMS assesses its financial performance by tracking whether or not the company is operating on a break even basis. Any profit or loss is then taken into account when determining the fees for the forthcoming financial year.

The operations of the company during the financial year resulted in a loss after providing for income tax of \$561,620 (2011: \$279,898 loss). The company is only liable for tax on income which is not subject to the principle of mutuality.

**EVENTS SUBSEQUENT TO BALANCE DATE**

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the company's operations, the results of those operations or the company's state of affairs in financial years after the financial year.

**MEMBERSHIP**

The INMS has four members as follows:

- Telstra Corporation Limited
- Optus Networks Pty Ltd
- AAPT Limited
- Primus Telecommunications Group Pty Ltd

The company's income is derived from two sources as follows:

- the ACMA delegated functions earns about one-half of the INMS' revenue; and
- the remainder of the INMS revenue is derived from "porting" transactions and other functions which are non-ACMA delegated functions.

On a winding up of the company members would be required to contribute up to \$40 (2011: \$40) (total by all members).

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
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**DIRECTORS' REPORT**  
(continued)

**INDEMNIFICATION OF OFFICERS**

During the financial year, the Industry Number Management Services Limited paid a premium to insure past and present directors, secretary, and officers of the company. The policy prohibits the disclosure of the amount of the premium and the nature of the liabilities covered.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 given to the Directors by the lead auditor for the audit undertaken by HLB Mann Judd is included on page 5.

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

A handwritten signature in black ink, appearing to be 'R Stern', with a horizontal line extending to the right.

**R Stern**  
**Director**

**25 September 2012**

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED  
ACN 080 344 190**

**AUDITOR'S INDEPENDENCE DECLARATION**

**To the Directors of Industry Number Management Services Limited:**

As lead auditor for the audit of Industry Number Management Services Limited for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



**S Grivas  
Partner**

**Sydney  
20 September 2012**

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2012**

	<b>Note</b>	<b>2012 \$</b>	<b>2011 \$</b>
Revenue from continuing operations	4	1,663,651	1,912,685
Employee benefits expense		(179,108)	(167,193)
Depreciation and amortisation expense		(23,324)	(38,374)
Legal and consultancy expense		(36,554)	(6,200)
IT expenses		(1,766,310)	(1,785,598)
Rent		(83,475)	(66,593)
Other expenses		<u>(137,930)</u>	<u>(127,478)</u>
Loss before income tax		(563,050)	(278,751)
Income tax benefit (expense)	5(a)	<u>1,430</u>	<u>(1,147)</u>
<b>Loss after income tax</b>		<b><u>(561,620)</u></b>	<b><u>(279,898)</u></b>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<b><u>(561,620)</u></b>	<b><u>(279,898)</u></b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>Current assets</b>			
Cash and cash equivalents	6	1,403,397	260,631
Trade and other receivables	7	328,348	421,817
Other financial assets	8	-	1,629,196
Other assets	9	7,617	6,707
Tax assets	5(c)	9,508	15,095
<b>Total current assets</b>		<u>1,748,870</u>	<u>2,333,446</u>
<b>Non-current assets</b>			
Plant and equipment	10	11,519	-
Other financial assets	8	11,515	-
Intangibles	11	23,766	43,018
Deferred tax assets	5(d)	16,600	-
<b>Total non-current assets</b>		<u>63,400</u>	<u>43,018</u>
<b>Total assets</b>		<u><b>1,812,270</b></u>	<u><b>2,376,464</b></u>
<b>Current liabilities</b>			
Trade and other payables	12	193,363	206,488
Other liabilities	13	3,750	-
Employee benefits	14	4,809	4,809
<b>Total current liabilities</b>		<u>201,922</u>	<u>211,297</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	5(d)	-	3,202
Other liabilities	13	6,563	-
Employee benefits	14	28,569	25,129
<b>Total non-current liabilities</b>		<u>35,132</u>	<u>28,331</u>
<b>Total liabilities</b>		<u><b>237,054</b></u>	<u><b>239,628</b></u>
<b>Net assets</b>		<u><b>1,575,216</b></u>	<u><b>2,136,836</b></u>
<b>Accumulated funds</b>			
Retained surpluses		<u>1,575,216</u>	<u>2,136,836</u>
<b>Total accumulated funds</b>		<u><b>1,575,216</b></u>	<u><b>2,136,836</b></u>

The above statement of financial position should be read in conjunction with the accompanying notes.

INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED  
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Retained surpluses \$
<b>Balance at 1 July 2010</b>	<b>2,416,734</b>
Total comprehensive loss for the year	<u>(279,898)</u>
<b>Balance at 30 June 2011</b>	<b><u>2,136,836</u></b>
<b>Balance at 1 July 2011</b>	<b>2,136,836</b>
Total comprehensive loss for the year	<u>(561,620)</u>
<b>Balance at 30 June 2012</b>	<b><u>1,575,216</u></b>

The above statement of changes in equity  
should be read in conjunction with the accompanying notes.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>Cash flow from operating activities</b>			
Receipts from members		44,000	44,000
Receipts from customers		1,773,638	1,922,348
Interest received		90,956	81,499
Payments to employees and suppliers		(2,355,133)	(2,341,275)
Income tax paid		(12,785)	(26,064)
		<u>                    </u>	<u>                    </u>
<b>Net cash used in operating activities</b>		<b>(459,324)</b>	<b>(319,492)</b>
<b>Cash flow from investing activities</b>			
Payments for intangible assets		(4,000)	(12,000)
Payments for plant & equipment		(11,591)	-
Acquisition of other financial assets		(11,515)	(813,458)
Proceeds from sale of other financial assets		1,629,196	-
		<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) investing activities</b>		<b>1,602,090</b>	<b>(825,458)</b>
Net increase (decrease) in cash held		1,142,766	(1,144,950)
Cash and cash equivalents at beginning of year		260,631	1,405,581
		<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents at end of year</b>	6	<b><u>1,403,397</u></b>	<b><u>260,631</u></b>

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

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Australian Accounting Interpretations and the Corporations Act 2001. Industry Number Management Services Limited (“the company”) is a not-for-profit organisation. The financial report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements.

**(a) Statement of compliance with Australian Accounting Standards – Reduced Disclosure Requirements**

*Statement of Compliance*

The financial report complies with Australian Accounting Standards – Reduced Disclosure Requirements (“RDR”) as issued by the Australian Accounting Standards Board. A statement of compliance with International Financial Reporting Standards cannot be made because of the adoption of RDR.

**(b) Cash & cash equivalents and other financial assets**

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months and net of bank overdrafts. Other financial assets consist of bank term deposits with a maturity of greater than three months.

**(c) Trade and other receivables**

All trade receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. After initial recognition trade receivables are subsequently measured at amortised cost, less allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised where some doubt as to collection exists.

**(d) Intangibles & amortisation**

Intangibles are stated at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The amortisable amounts of all intangibles are amortised over the useful lives of the assets to the company, commencing from the time the asset is held ready for use to the date of expiry of the service contract with the Australian Communications and Media Authority (“ACMA”). The useful life of the intangible assets was reassessed during the 2012 year in conjunction with the renewal of the ACMA contract (refer note 2).

**(e) Plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight line basis to write off the book value of each item of plant and equipment over its expected useful life to the company. Estimates of remaining useful lives are made on a regular basis with annual reassessments for major items. Assets are depreciated from the date of acquisition and when constructed ready for use.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(e) Plant and equipment** (continued)

The depreciation rates used for each class of assets are:

Office equipment	2.5% - 13%
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**(f) Impairment of assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the value in use of the asset. As the company is a not-for-profit entity the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows. Therefore the value in use is the depreciated replacement cost of the asset.

**(g) Trade and other payables**

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts disclosed are usually paid within 30 days of recognition.

**(h) Income tax**

Under the concept of mutuality, the company is only assessed for income tax on that proportion of income derived from non-members and other external sources. The company adopts the balance sheet method of tax effect accounting.

Current and deferred tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

**(i) Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables.

Lease payments for operating leases (net of any incentives received from the lessor), where substantially all the risks and benefits remain with the lessor, are charged as expenses to the statement of comprehensive income on a straight line basis over the period of the lease.

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

**(j) Employee benefits**

The amounts expected to be paid to employees for their entitlement to annual leave within the next 12 months are provided at anticipated future rates and disclosed as current liabilities. Accrued wages and salary amounts are also included in current liabilities. Related on-costs have also been included in the liability.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(j) Employee benefits** (continued)

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to reporting date. In assessing expected future payments the company based the provision on remuneration rates as at reporting date for all employees with five or more years of service. The directors believe that this method provides an estimate of the liability that is not materially different from the estimate that would be obtained by using the present value basis of measurement. Related on-costs have also been included in the liability.

When long service leave entitlements vest after ten years of service, they will be shown as current liabilities.

The company has not made provision for non-vesting sick leave as the directors believe it is not probable that payment will be required.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

**(k) Revenue recognition**

- (i) Number portability system, delegated and non-delegated functions revenue*  
Revenue is measured at fair value of the consideration received or receivable and is recognised when the fee, in respect of the services, is rendered.
- (ii) Interest income*  
Interest income is recognised as it accrues.
- (iii) Other revenue*  
Income from other sources is recognised when the fee in respect of other products or services provided is receivable.

**2. CRITICAL ACCOUNTING JUDGEMENTS**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

*Software useful life*

As noted in note 1(d) the directors of the company considered it appropriate to amortise its capitalised software on a straight line basis until the expected expiry date of the ACMA service contract, 31 January 2013. On 17 January 2012 the directors reassessed the useful life to 31 January 2014 based on the revised contract for provision of services agreed with ACMA (refer note 3).

**3. REVISION OF ACCOUNTING ESTIMATE**

***Revision of useful life of intangible assets***

During the year the estimated useful life of intangible assets being the software used in the number porting process was revised from ending in January 2013 to January 2014.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**3. REVISION OF ACCOUNTING ESTIMATE** (continued)

The increase/(decrease) in amortisation in the current period, with effect from 17 January 2012, and future periods, assuming the assets are held until the end of their estimated useful lives, based on the expected 1 year additional contract period is shown below.

Year ending 30 June	\$
2012	6,791
2013	1,573
2014	(8,364)

	2012 \$	2011 \$
<b>4. REVENUE</b>		
Revenue from continuing operations		
- member fees	40,000	40,000
- number portability system:		
- delegated functions	960,406	955,253
- non-delegated functions	487,141	717,150
- Interest received	83,479	97,282
- other charges	92,625	103,000
	<u>1,663,651</u>	<u>1,912,685</u>
Total revenue		
	<u>1,663,651</u>	<u>1,912,685</u>
<b>5. INCOME TAX</b>		
<b>(a) Income tax (benefit) expense</b>		
Current tax	18,372	(102)
Deferred tax	(19,802)	1,249
	<u>(1,430)</u>	<u>1,147</u>
Income tax (benefit) expense		
	<u>(1,430)</u>	<u>1,147</u>
<b>(b) Numerical reconciliation of income tax to prima facie tax payable</b>		
Prima facie income tax (benefit) expense calculated at 30% of the loss before income tax	(168,915)	(83,625)
Decrease/Increase in tax (benefit) expense due to:		
- benefit not available from expenses	528,188	558,854
- mutual income	(382,587)	(473,200)
- (over)/under provision in prior year	(1,414)	101
- miscellaneous	23,298	(983)
	<u>(1,430)</u>	<u>1,147</u>
Income tax (benefit) expense		
	<u>(1,430)</u>	<u>1,147</u>
<b>(c) Tax assets</b>		
Income tax receivable	<u>9,508</u>	<u>15,095</u>

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	2012 \$	2011 \$
<b>5. INCOME TAX (continued)</b>		
<b>(d) Deferred tax assets (liabilities)</b>		
<b>Non-current</b>		
The balance comprises temporary differences attributable to:		
Interest receivable	(6,913)	(9,156)
Accrued expenses	1,640	1,736
Employee benefits	1,932	1,575
Tax losses	19,941	2,643
	16,600	(3,202)
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash at bank	303,397	260,631
Deposits at call	1,100,000	-
	1,403,397	260,631
<b>7. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Trade receivables	300,269	384,684
Interest receivable	23,042	30,519
GST receivable	5,037	6,614
	328,348	421,817
<b>8. OTHER FINANCIAL ASSETS</b>		
<b>Current</b>		
Term deposit	-	1,629,196
	-	1,629,196
<b>Non-current</b>		
Term deposit	11,515	-
	11,515	-
Term deposits are held for a fixed term at fixed interest rates. At 30 June 2012 term deposits bore an interest rate of 5.50% (2011: 6.40%). Term deposits held at 30 June 2012 are a guarantee for the lease of the Potts Point premises.		
<b>9. OTHER ASSETS</b>		
<b>Current</b>		
Prepayments	7,617	6,707
	7,617	6,707

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
<b>10. PLANT AND EQUIPMENT</b>		
<b>Non-Current</b>		
Office Equipment		
- at cost	11,591	-
- accumulated amortisation	<u>(72)</u>	<u>-</u>
	<u>11,519</u>	<u>-</u>

**Reconciliation**

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current and previous financial year are set out below.

	2012	2011
	\$	\$
<b>Plant and Equipment</b>		
Carrying amount at start of year	-	-
Additions	11,591	-
Depreciation expense	<u>(72)</u>	<u>-</u>
Carrying amount at end of year	<u>11,519</u>	<u>-</u>

**11. INTANGIBLES**

**Non-Current**

Capitalised software		
- at cost	1,562,466	1,558,466
- accumulated amortisation	<u>(1,538,700)</u>	<u>(1,515,448)</u>
	<u>23,766</u>	<u>43,018</u>

**Reconciliation**

Reconciliations of the carrying amounts of intangibles at the beginning and end of the current and previous financial year are set out below.

	2012	2011
	\$	\$
<b>Capitalised Software</b>		
Carrying amount at start of year	43,018	69,392
Additions	4,000	12,000
Amortisation expense	<u>(23,252)</u>	<u>(38,374)</u>
Carrying amount at end of year	<u>23,766</u>	<u>43,018</u>

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
<b>12. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade payables	161,236	170,255
Accruals	<u>32,127</u>	<u>36,233</u>
	<u>193,363</u>	<u>206,488</u>
<b>13. OTHER LIABILITIES</b>		
<b>Current</b>		
Lease incentive	<u>3,750</u>	<u>-</u>
<b>Non-Current</b>		
Lease incentive	<u>6,563</u>	<u>-</u>
<b>14. EMPLOYEE BENEFITS</b>		
<b>Current</b>		
Annual Leave	<u>4,809</u>	<u>4,809</u>
<b>Non-Current</b>		
Long Service Leave	<u>28,569</u>	<u>25,129</u>
<b>15. LEASE COMMITMENTS</b>		
Operating lease commitments		
Non-cancellable operating lease in respect of IT maintenance and support and rental of premises contracted for but not capitalised in the accounts.		
Payable:		
Within one year	1,890,480	65,725
Within two to five years	<u>4,105,858</u>	<u>-</u>
	<u>5,996,338</u>	<u>65,725</u>
<b>16. LIMITATION BY GUARANTEE</b>		
Industry Number Management Services Limited is a company limited by guarantee. The constitution provides that every member of the company undertakes to contribute an amount not exceeding ten dollars (\$10) in the event of the company being wound up during the time of membership or within one year afterwards. The company has 4 members (2011: 4 members).		

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**17. RELATED PARTY DISCLOSURES**

**(i) Directors**

The names of persons who were directors of the company during the year were A Westwood, R Nicoll, R Stern and M Horton. Alternate directors of the company during the year were R Spencer, N Lee, A Ghulani and J Dizon.

All Directors acted in an honorary capacity. All directors are key management personnel. Megan McEwin and Richard Johnson were the only other key management personnel.

**(ii) Key management personnel compensation**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Key management personnel compensation	<u>154,337</u>	<u>143,113</u>

**(iii) Other transactions with related parties**

During the year, Anzarut & Holm Lawyers, of which Paul Holm (Megan McEwin's husband) is a director, received legal fees of \$12,702 (2011: \$nil).

**18. ADDITIONAL INFORMATION: ACMA REPORTING**

	<b>Delegated functions</b>	<b>Non-delegated functions</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2012</b>			
Revenue from continuing operations*	960,406	703,245	1,663,651
Employee benefits expense	(89,554)	(89,554)	(179,108)
Depreciation and amortisation expense	(14,452)	(8,872)	(23,324)
Legal and consultancy expense	(28,137)	(8,417)	(36,554)
IT expenses	(936,144)	(830,166)	(1,766,310)
Rent expenses	(41,737)	(41,738)	(83,475)
Other expenses	(77,632)	(60,298)	(137,930)
	<u>(227,250)</u>	<u>(335,800)</u>	<u>(563,050)</u>
Loss before income tax			
<b>2011</b>			
Revenue from continuing operations*	955,253	957,432	1,912,685
Employee benefits expense	(83,597)	(83,596)	(167,193)
Amortisation & depreciation expense	(23,793)	(14,581)	(38,374)
Legal and consultancy expense	(4,340)	(1,860)	(6,200)
IT expenses	(852,222)	(933,376)	(1,785,598)
Rent expenses	(33,296)	(33,297)	(66,593)
Other expenses	(74,121)	(53,357)	(127,478)
	<u>(116,116)</u>	<u>(162,635)</u>	<u>(278,751)</u>
Loss before income tax			

\* Non-delegated revenue includes interest and other revenue.

The basis of allocation used to apportion revenues and expenses between delegated and non-delegated functions is consistent with the budget profit and loss statement previously provided to the Australian Communications and Media Authority ("ACMA"), dated 26 April 2012 (2011: 19 April 2011), including any adjustments for actual delegated transaction volume which varied from that budget.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the financial year ended on that date; and
- (b) 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 directors.



**R. Stern**  
**Director**

**Dated this 25 day of September 2012**

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**INDEPENDENT AUDITORS' REPORT**

To the members of Industry Number Management Services Limited:

We have audited the accompanying financial report of Industry Number Management Services Limited ("the company"), which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration as set out on pages 6 to 18.

**Directors' Responsibility for the Financial Report**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Industry Number Management Services Limited on 20 September 2012 would be in the same terms if provided to the directors as at the time of this auditor's report.

**INDUSTRY NUMBER MANAGEMENT SERVICES LIMITED**  
**ACN 080 344 190**

**INDEPENDENT AUDITORS' REPORT (continued)**

***Matters relating to the electronic presentation of the audited financial report***

This auditor's report also relates to the financial report of Industry Number Management Services Limited for the financial year ended 30 June 2012 included on Industry Number Management Services Limited's website. The company's directors are responsible for the integrity of the Industry Number Management Services Limited website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

***Auditor's Opinion***

In our opinion the financial report of Industry Number Management Services Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

*HLB Mann Judd*

**HLB MANN JUDD**  
**Chartered Accountants**

*S. Grivas*

**S Grivas**  
**Partner**

**Sydney**  
**27 September 2012**