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# Directors' Report

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The Directors are pleased to submit to shareholders their report and financial statements for the year ended 31 March 2011.

## Principal Activities

Datasquirt makes it easy for corporations to communicate with their customers and field staff using the channels that complement voice – SMS, email, social media, fax and web chat. Datasquirt delivers value by improving the quality, security and consistency of communications, improving efficiency and reducing business risk. Datasquirt delivers this through the supply of CONTACT™, a leading, cloud-based, self-service software platform. Datasquirt listed on the Australian Securities Exchange on 28 September 2007.

## Significant Changes in the State of Affairs

There have been no significant changes to report in the current financial year.

## Directors

Mr. Robert Ellis was appointed to the Board on 5 August 2010.  
In accordance with the Constitution, Dr. Jens Neiser retires and, being eligible, offers himself for re-election.

## Remuneration of Directors

The remuneration of the Directors for the year ended 31 March 2011 has been disclosed in Note 7(b) of this Report.

## Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

## Review of Operations and Outlook

By the end of FY11 Datasquirt had eliminated cash burn as forecast and moved into profit for the fourth quarter. The company achieved this through growing revenue by 37%, excluding other revenue and foreign exchange gains and losses, making significant, strategic improvements in global distribution and by continuing to innovate, as well as through prudent cost management.

The adoption of Social Media channels as 'business as usual' for most corporations, the ongoing growth of SMS and web chat communication and the international interest in cloud-based technologies mean Datasquirt is well placed for FY12.

The company expects sales from both current and new clients to continue to increase. It also anticipates an ongoing growth in the strength of its reseller channel and has budgeted for an ongoing programme of product enhancement, to deliver further social media and reporting functionality in line with client demand.

September 2010 saw Datasquirt become one of the first companies in the world to offer corporations a call centre platform for managing their Twitter communications with customers. This created additional revenue streams from existing clients, such as Royal Mail Group (UK), as well as positioning Datasquirt as a future-focussed provider and generating new business enquiries.

Demand from current clients during the 2011 financial year broadened from email and SMS to increased demand for the fax and web chat functionality in CONTACT™, as well as social media. Corporate businesses increasingly recognise the commercial importance of integrated communications, while customer expectations for real-time replies and multi-channel communication are continually rising. Both these major trends are demand drivers for Datasquirt.

FY2011 saw continued growth in sales through reseller partners internationally, culminating in Q4 in the agreement to supply a leading North American call centre provider with CONTACT™ under their own branding; a deal worth over US\$1million which will see Datasquirt's software deployed across the US.

The global technology search which preceded this organisation selecting CONTACT™ illustrates the quality and differentiation of the Datasquirt product set.

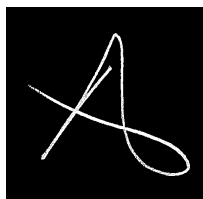
In a climate of ongoing economic uncertainty, corporate businesses are increasingly seeking pay-as-you go hosted (cloud-based) software solutions, such as CONTACT™. They are increasingly driven by their customers to provide more sophisticated, integrated and real-time customer service, across multiple channels, and to be better than their competitors at responding to enquiries and complaints. In an environment where businesses want more efficiency, security and control, and are investing in products which offer a clear competitive advantage and good return on investment in the short to medium term, Datasquirt is well placed for continued growth.

The Directors are very confident in the success of Datasquirt and will now be buying more shares.

The financial statements are signed for and on behalf of the Board, and were authorised for issue on the date below.



**Mark Loveys**  
Chairman  
31 May 2011



**Aaron Ridgway**  
Chief Executive Officer  
31 May 2011

# Auditor's Report

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Datasquirt Limited

### Report on the Financial Statements

We have audited the financial statements of Datasquirt Limited and group on pages 7 to 41 which comprise the consolidated and separate statements of financial position as at 31 March 2011, the consolidated and separate statements of comprehensive income, and statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Director's Responsibility for the Financial Statements*

The directors are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate; this includes the design, implementation and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Other than in our capacity as auditor, we have no other relationship with, or interests in, the company or any of its subsidiaries.

#### *Opinion*

In our opinion, the financial statements on pages 7 to 41:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Datasquirt Limited and group as at 31 March 2011 and the results of their operations and cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993 require us to comment on whether we have obtained all the information and explanations that we have required from Datasquirt Limited, and whether we consider that appropriate accounting records have been kept.

- We have obtained all the information and explanations that we have required.
- In our opinion proper accounting records have been kept by the company as far as appears from our examination of those records.

LHK Auckland

Auckland, New Zealand  
CHARTERED ACCOUNTANTS

31 May 2011

### ***Matters relating to the electronic presentation of the audited financial statements***

This auditor's report relates to the financial statements of Datasquirt Limited and group at 31 March 2011 included on the Datasquirt Limited website. The Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The auditor's report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related auditors' report dated 31 May 2011 to confirm the information included in the audited financial statements presented on this website.

## Statement of Financial Position

As at 31 March 2011

	Note	Consolidated		Parent	
		2011	2010	2011	2010
		\$000	\$000	\$000	\$000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	11	976	1,080	701	1,012
Trade and other receivables	12	1,315	705	1,189	477
<b>Total Current Assets</b>		<b>2,291</b>	<b>1,785</b>	<b>1,890</b>	<b>1,489</b>
<b>Non-current Assets</b>					
Investments in subsidiaries	13	-	-	3	3
Property, plant and equipment	14	44	58	33	42
Intangible assets	15	29	52	29	51
<b>Total Non-current Assets</b>		<b>73</b>	<b>110</b>	<b>65</b>	<b>96</b>
<b>TOTAL ASSETS</b>		<b>2,364</b>	<b>1,895</b>	<b>1,955</b>	<b>1,585</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	16	1,421	896	1,146	689
Provisions	17	108	105	102	99
<b>Total Current Liabilities</b>		<b>1,529</b>	<b>1,001</b>	<b>1,248</b>	<b>788</b>
<b>TOTAL LIABILITIES</b>		<b>1,529</b>	<b>1,001</b>	<b>1,248</b>	<b>788</b>
<b>EQUITY</b>					
<b>Equity attributable to equity holders of the parent</b>					
Contributed equity	18	11,850	11,310	11,850	11,310
Accumulated loss	19	(10,997)	(10,398)	(11,143)	(10,513)
Reserves	19	(18)	(18)	-	-
<b>TOTAL EQUITY</b>		<b>835</b>	<b>894</b>	<b>707</b>	<b>797</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,364</b>	<b>1,895</b>	<b>1,955</b>	<b>1,585</b>

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

For and on behalf of the Board, who authorise the issue of these financial statements on 31 May 2011:



Mark Loveys  
Chairman  
31 May 2011



Aaron Ridgway  
Director  
31 May 2011

## Statement of Comprehensive Income

For the year ended 31 March 2011

	Note	Consolidated		Parent	
		2011	2010	2011	2010
		\$000	\$000	\$000	\$000
<b>Revenue</b>					
Revenue		2,916	2,126	1,960	1,595
Other revenue	6	79	178	789	935
Net gain on foreign exchange		39	16	35	16
		<b>3,034</b>	2,320	<b>2,784</b>	2,546
Development and implementation expenses		(45)	(54)	(32)	(39)
Hosting and connectivity expenses		(373)	(311)	(264)	(179)
Transaction costs		(341)	(153)	(112)	(86)
Commissions		(294)	(421)	(178)	(330)
Advertising expense		(108)	(102)	(82)	(64)
Employee benefits expense	7(d)	(1,671)	(1,425)	(1,343)	(1,217)
Professional fees	7(b)	(205)	(427)	(116)	(161)
Travel expenses		(117)	(121)	(67)	(98)
Market support	21(d)	-	-	(843)	(1,154)
Other operating expenses	7(a)	(402)	(452)	(326)	(379)
Depreciation & impairment	7(c)	(44)	(83)	(36)	(71)
<b>Loss from continuing operations before income tax</b>		<b>(566)</b>	(1,229)	<b>(615)</b>	(1,232)
Income tax expense	8	(33)	-	(15)	-
<b>Loss after income tax</b>		<b>(599)</b>	(1,229)	<b>(630)</b>	(1,232)
<b>Net loss for the period</b>		<b>(599)</b>	(1,229)	<b>(630)</b>	(1,232)
<b>Other comprehensive income</b>					
Movement in translation reserve		-	(4)	-	-
Investment in subsidiary impairment loss		-	-	-	(121)
<b>Other comprehensive income for the period, net of income tax</b>		-	(4)	-	(121)
<b>Total comprehensive income/(loss) for the period</b>		<b>(599)</b>	(1,233)	<b>(630)</b>	(1,353)
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:</b>	10				
Basic earnings per share		(0.02)	(0.04)		
Diluted earnings per share		(0.02)	(0.04)		

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

## Statement of Cash Flows

For the year ended 31 March 2011

	Note	Consolidated		Parent	
		2011	2010	2011	2010
		\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of GST)		2,389	2,377	1,342	1,927
Payments to suppliers and employees (inclusive of GST)		(3,164)	(3,465)	(2,340)	(2,960)
Interest paid		(4)	(3)	(4)	(8)
Interest received		14	15	14	20
Tax paid		(18)	-	-	-
Receipt of government grants		107	133	107	133
<b>Net cash flows used in operating activities</b>	20	<b>(676)</b>	<b>(943)</b>	<b>(881)</b>	<b>(888)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(4)	(7)	(4)	(7)
Purchase of intangibles		(3)	(26)	(3)	(26)
<b>Net cash flows used in investing activities</b>		<b>(7)</b>	<b>(33)</b>	<b>(7)</b>	<b>(33)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		540	-	540	-
<b>Net cash flows from financing activities</b>		<b>540</b>	<b>-</b>	<b>540</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(143)</b>	<b>(976)</b>	<b>(348)</b>	<b>(921)</b>
Net foreign exchange differences		39	16	37	16
Cash and cash equivalents at beginning of period		1,080	2,040	1,012	1,917
<b>Cash and cash equivalents at end of period</b>		<b>976</b>	<b>1,080</b>	<b>701</b>	<b>1,012</b>

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

## Statement of Changes in Equity

For the year ended 31 March 2011

		Share capital	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	2010 Total equity
	Note	\$000	\$000	\$000	\$000	\$000
<b>Consolidated</b>						
Balance at 1 April 2009		11,310	172	(14)	(9,341)	2,127
Net loss for the period		-	-	-	(1,229)	(1,229)
<b>Other comprehensive income</b>						
Movement in translation reserve		-	-	(4)	-	(4)
<b>Total other comprehensive income</b>		-	-	(4)	-	(4)
<b>Total comprehensive income for the period</b>		-	-	(4)	(1,229)	(1,233)
<b>Transactions with owners, recorded directly in equity</b>						
Employee equity benefits reserve write-off		-	(172)	-	172	-
<b>Balance at 31 March 2010</b>	19	11,310	-	(18)	(10,398)	894
	Note	Share capital	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	2011 Total equity
		\$000	\$000	\$000	\$000	\$000
<b>Consolidated</b>						
Balance at 1 April 2010		11,310	-	(18)	(10,398)	894
Net loss for the period		-	-	-	(599)	(599)
<b>Other comprehensive income</b>						
Movement in translation reserve		-	-	-	-	-
<b>Total other comprehensive income</b>		-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	-	(599)	(599)
<b>Transactions with owners, recorded directly in equity</b>						
Rights issue		540	-	-	-	540
<b>Balance at 31 March 2011</b>	19	11,850	-	(18)	(10,997)	835
	Note	Share capital	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	2010 Total equity
		\$000	\$000	\$000	\$000	\$000
<b>Parent</b>						
Balance at 1 April 2009		11,310	172	40	(9,372)	2,150
Net loss for the period		-	-	-	(1,232)	(1,232)
<b>Other comprehensive income</b>						
Movement in translation reserve		-	-	(40)	40	-
Investment in subsidiary impairment loss		-	-	-	(121)	(121)
<b>Total other comprehensive income</b>		-	-	(40)	(81)	(121)
<b>Total comprehensive income for the period</b>		-	-	(40)	(1,313)	(1,353)
<b>Transactions with owners, recorded directly in equity</b>						
Employee equity benefits reserve write-off		-	(172)	-	172	-
<b>Balance at 31 March 2010</b>	19	11,310	-	-	(10,513)	797
	Note	Share capital	Employee equity benefits reserve	Foreign currency translation reserve	Retained earnings	2011 Total equity
		\$000	\$000	\$000	\$000	\$000
<b>Parent</b>						
Balance at 1 April 2010		11,310	-	-	(10,513)	797
Net loss for the period		-	-	-	(630)	(630)
<b>Other comprehensive income</b>						
Movement in translation reserve		-	-	-	-	-
<b>Total other comprehensive income</b>		-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	-	(630)	(630)
<b>Transactions with owners, recorded directly in equity</b>						
Rights issue		540	-	-	-	-
<b>Balance at 31 March 2011</b>	19	11,850	-	-	(11,143)	707

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

# Notes to the Financial Statements

For the year ended 31 March 2011

## 1 Corporate information

The financial statements of Datasquirt Limited (the Company) for the year ended 31 March 2011 were authorised for issue in accordance with a resolution of the directors on 31 May 2011.

Datasquirt Limited (the parent) is a company limited by shares incorporated in New Zealand whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report section of this annual report.

## 2 Summary of significant accounting policies

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### (a) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. The financial statements have been prepared on a historical cost basis.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

**(b) Statement of Compliance**

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice. They comply with New Zealand equivalents to International Financial Reporting Standards, and other applicable financial reporting standards, as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards (IFRS).

**(c) New accounting standards and interpretations**

Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 31 March 2011. These are outlined in the table below.

Reference	Title	Summary of requirements	Effective date – periods beginning on or after	Impact on Group financial report	Application date for Group*
NZ IFRS 9	Financial Instruments: Classification and Measurement	Requires all financial assets to be: (a) Classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. (b) Initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs (c) Subsequently measured at amortised cost or fair value.	1 January 2013	Application of a consistent approach to classifying financial assets, and the use of one impairment method.	1 April 2013
Amendments to NZ IAS 12	Income Taxes	The amendment introduces an exception to current measurement principles based on the manner the manner of recovery in paragraph 52 of NZ IAS 12 for investment property measured using the fair value model in accordance with NZ IAS 40 Investment Property.	1 January 2012	Application of measurement principles based on the manner of recovery of the value of an investment property.	1 April 2012
NZ IAS 24	Related Party Disclosures (revised 2009)	The revised standard simplifies the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities	1 January 2011	Simplified definitions of related parties will apply.	1 April 2011
Amendments to NZ IFRS 7	Financial Instruments: Disclosures – Transfer of Financial Assets	The amendments require additional disclosures about transfer of financial assets to enable users of financial statements, <ul style="list-style-type: none"> <li>to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities; and</li> <li>to evaluate the nature of and the risks associated with, the entity's continuing involvement in derecognised financial assets</li> </ul>	1 July 2011	Additional disclosures about the transfer of financial assets to be made.	1 April 2012
Improvements to NZ IFRS 2010 – Amendments to NZ IFRS 3	Business Combinations	The amendments: <ul style="list-style-type: none"> <li>clarify that contingent consideration arising in a business combination previously accounted for in accordance with NZ IFRS 3 (2004) that remains outstanding at the adoption date of NZ IFRS 3 (2008) continues to be</li> </ul>	1 July 2010	Contingent consideration arising in a business combination to be accounted for in accordance with NZ IFRS 3, with limitations on measurement options.	1 April 2011

		<p>accounted for in accordance with NZ IFRS 3 (2004);</p> <ul style="list-style-type: none"> <li>• limit the accounting policy choice to measure non-controlling interests upon initial recognition at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets to instruments that give rise to a present ownership interest and that currently entitle the holder to a share of net assets in the event of liquidation; and</li> <li>• Expand the current guidance on the attribution of the market-based measure of an acquirer's share based payment awards issued in exchange for acquire awards between consideration transferred and post combination compensation cost when an acquirer is obliged to replace the acquiree's existing awards.</li> </ul>			
Improvements to NZ IFRS 2010 – NZ IAS 27	Consolidated and Separate Financial Statements	The amendments clarify that the consequential amendments to NZ IAS 21, NZ IAS 28 and NZ IAS 31 resulting from NZ IAS 27 (2008) should be applied prospectively, with the exception of amendments resulting from renumbering.	1 July 2010	Consequential amendments to NZ IAS 21, NZ IAS 28 and NZ IAS 31 resulting from NZ IAS 27 (2008) to be applied prospectively.	1 April 2011
Improvements to NZ IFRS 2010 – NZ IFRS 7	Financial Instruments: Disclosures	The amendments add an explicit statement that qualitative disclosure should be made in the context of the quantitative disclosures.	1 January 2011	Qualitative disclosure to be made with quantitative disclosures relating to risk arising from financial instruments.	1 April 2011
Improvements to NZ IFRS 2010 – NZ IAS 1	Presentation of Financial Statements	The amendments clarify the presentation of changes in equity arising from transactions recognised in other comprehensive income.	1 January 2011	Changes in equity arising from transactions recognised in other comprehensive income may be presented either in the statement of changes in equity or in the notes.	1 April 2011

**(d) Basis of consolidation**

The consolidated financial statements (the group) of Datasquirt Limited comprise the financial statements and its subsidiaries (as outlined in note 5) as at 31 March each year.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group.

Investments in subsidiaries held by Datasquirt Limited are accounted for at cost in the separate financial statements of the parent entity.

**(e) Segment reporting - refer note 5**

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other operating business segments. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

**(f) Foreign currency translation**

*(i) Functional and presentation currency*

Both the functional and presentation currency of Datasquirt Limited is New Zealand dollars (\$). The subsidiaries' functional currency is the local currency which is translated to presentation currency (see below).

*(ii) Transactions & balances*

<b>Subsidiary</b>	<b>Local Currency</b>	<b>Presentation Currency</b>
Datasquirt (Australia) Pty Limited	Australian dollars (\$)	New Zealand dollars (\$)
Datasquirt UK Limited	British pounds (£)	New Zealand dollars (\$)
Datasquirt LLC	United States dollars (\$)	New Zealand dollars (\$)
Datasquirt AG	Euro (€)	New Zealand dollars (\$)

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

*(iii) Translation of Group Companies functional currency to presentation currency*

The results of the subsidiaries are translated into New Zealand dollars as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

**(g) Cash and cash equivalents - refer note 11**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

**(h) Trade and other receivables - refer note 12**

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectibility of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment.

**(i) Property, plant and equipment - refer note 14**

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. The cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in statement of

comprehensive income as incurred.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the specific assets:

Computer equipment - over 3 to 5 years

Furniture and fittings - over 5 to 10 years

Phones – over 2 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

#### *Derecognition*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

#### **(j) Leases - refer note 24**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

#### **(k) Intangibles - refer note 15**

Intangibles are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. See note 15.

Internally generated intangible assets are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

#### *Research and development costs*

Research costs are expensed as incurred.

#### **(l) Trade and other payables - refer note 16**

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **(m) Provisions and employee benefits - refer note 17**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

#### ***Employee leave benefits***

##### *Wages, salaries, annual leave and sick leave*

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

**(n) Share-based payment transactions - refer note 23**

*Equity settled transactions*

The Group provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black Scholes option pricing model, further details of which are given in note 23.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Datasquirt Limited if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the income statement is the product of:

- i. the grant date fair value of the award;
- ii. the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- iii. the expired portion of the vesting period.

The charge to the income statement for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see note 10).

**(o) Revenue recognition - refer note 6**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Rendering of services*

Contract income, which includes license fees, hosting fees and transaction fees, is recognised in the income statement in the accounting period in which the service is rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided.

When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

*(ii) Interest revenue*

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

*(iii) Licence Fees and Royalties*

Fees and royalties paid for the use of an entity's assets, such as software, are recognised in accordance with the

substance of the agreement. An assignment of rights for a non-refundable fee under a non-cancellable contract which permits the licensee to exploit those rights freely and where Datasquirt Limited has no obligations subsequent to delivery of software under the licensing agreement, is recognised as a sale.

**(p) Income tax and other taxes - refer note 8**

Current 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 based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

On the basis that deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the carry-forward of unused tax credits and unused tax losses can be utilised, Datasquirt Limited has taken the conservative position that there is not sufficient certainty to justify the recognition of a deferred income tax asset at this time.

Temporary differences are not material, and have not been recognised as a deferred tax asset.

*Other taxes*

Revenues, expenses and assets are recognised net of the amount of GST except:

- i. when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ii. receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

**(q) Government grants**

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants are awarded on a 50% cost sharing basis between NZTE and The Group, and are only reimbursed on costs actually already incurred by the Group.

The grants recognised have no outstanding terms and conditions and are not credited directly to shareholders' equity.

**(r) Earnings per share - refer note 10**

Basic earnings per share is calculated as net profit attributable to members of the parent, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, divided by the weighted number of ordinary shares and dilutive potential ordinary shares.

**(s) Impairment of non-financial assets**

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Datasquirt Limited conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

**(t) Contributed equity - refer note 18**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 3 Financial risk management objectives and policies

The Group's principal financial instruments comprise receivables, payables, and cash and short-term deposits.

The Group manages its exposure to key financial risks, including interest rate, liquidity risk and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Board reviews and agrees policies for managing each of the risks identified below, foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

#### Risk exposures and responses

##### Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash deposited in interest-bearing call accounts. Interest rates are monitored although there is generally no significant variation in interest rates offered by the different major banks.

The local operational bank accounts do not earn interest.

*At 31 March 2011, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:*

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Consolidated</b>				
+1% (100 basis points)	7	13	7	13
- 1% (100 basis points)	(7)	(13)	(7)	(13)
<b>Parent</b>				
+1% (100 basis points)	7	13	7	13
- 1% (100 basis points)	(7)	(13)	(7)	(13)

The sensitivity is lower in 2011 than in 2010 because of a decrease in the level of funds on deposit.

##### Credit risk

Credit risk arises from the financial assets of the Group, being trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitize its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The only significant concentration of credit risk within the Group exists in relation to cash and cash equivalents,

the majority being held with two major trading banks.

*Foreign currency risk*

Each entity in the Group conducts the majority of its transactions in its functional currency.

The currency exposure of the Group arises from the effect of any substantial movements in currency rates on the transfer of funds (the large proportion being in Australian dollars) to the local currency of the subsidiary to fund operations.

The net exposure is not significant due to the size of the foreign operations, and is mitigated by the regular transfer of small advances to spread the currency risk over time. Although each subsidiary or geographic segment is subject to variations in foreign currency rates, each segment is not material. Refer to note 5 on segment reporting.

*Liquidity risk*

The Group manages liquidity risk by closely monitoring working capital commitments, primarily trade receivables and trade payables. All payables are payable within 30 days.

*Financial assets*

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and held to maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at the initial recognition and re-evaluates this designation at every reporting date.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at fair value through the profit and loss.

*Financial assets at fair value through profit and loss*

Assets in this category are classified as current assets if they are expected to be realised within 12 months of the reporting date.

*Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

The Group's loans and receivables comprise receivables and cash and cash equivalents. Interest income is recognised by applying the effective interest rate.

*Held to maturity investments*

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

*Other*

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

*Financial assets measurement*

Loans and receivables and held to maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the profit or loss in the period in which they arise.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

#### **4 Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the bases of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

##### *Recovery of deferred tax assets*

Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

##### *Impairment of non-financial assets other than goodwill*

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include a subsidiary's financial performance, as well as the technology, economic and political environments and future market expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Management have considered whether assets have in fact been impaired, and have determined that all assets are fully recoverable.

##### *Share-based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black Scholes model, with the assumptions detailed in note 23. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

## 5 Segment information

As the Group is focused on the development, distribution and sales of the core software product CONTACT along with associated services, there is effectively one business segment. The Group's risks and returns are affected predominantly by differences in the economic environment each subsidiary operates in, so the Group's primary segment reporting format is geographic segments.

The geographic segments are described in the table below:

Legal Entity	Location	Geographic region
Datasquirt Limited ( <i>Head Office</i> )	New Zealand	New Zealand
Datasquirt (Australia) Pty Limited	Australia	Australia and South-East Asia
Datasquirt UK Limited	England	United Kingdom and Ireland
Datasquirt LLC	United States	United States and Canada
Datasquirt AG	Germany	Germany

### Geographic segments

The following table presents revenue, profit, and certain asset information regarding the subsidiaries performance for the year.

Year ended 31 March 2011	New Zealand \$000	Australia \$000	United Kingdom \$000	United States \$000	Germany \$000	TOTAL \$000
Revenue	1,960	484	645	5	-	3,094
Other income	824	185	594	46	11	1,660
Total segment revenue	2,784	669	1,239	51	11	4,754
Inter-segment elimination						(1,720)
Total consolidated revenue						3,034
Interest received	22	-	-	-	3	25
Inter-segment elimination						(10)
Total consolidated interest received						15
Net loss	(630)	10	20	-	1	(599)
Inter-segment elimination						-
Total consolidated loss						(599)
Investment in subsidiary impairment loss	-	-	-	-	-	-
Inter-segment elimination						-
Total consolidated investment in subsidiary impairment loss						-
Depreciation	36	1	3	3	1	44
Capital expenditure	7	-	-	-	-	7
Segment assets – current	1,890	256	353	3	120	2,622
Segment assets – non-current	65	2	6	3	-	76
Inter-segment elimination						(334)
Total consolidated assets						2,364
Liabilities	1,248	274	331	1	7	1,861
Inter-segment elimination						(332)
Total consolidated liabilities						1,529

Revenue from one customer amounted to \$441,000 (2010: \$513,000) arising from sales by the New Zealand segment.

Revenue from one customer amounted to \$326,000 (2010: \$156,000) arising from sales by the United Kingdom segment.

<b>Year ended 31 March 2010</b>	<b>New Zealand \$000</b>	<b>Australia \$000</b>	<b>United Kingdom \$000</b>	<b>United States \$000</b>	<b>Germany \$000</b>	<b>TOTAL \$000</b>
Revenue	1,595	176	396	81	1	2,249
Other income	951	335	747	68	9	2,110
Total segment revenue	2,546	511	1,143	149	10	4,359
Inter-segment elimination						(2,039)
Total consolidated revenue						2,320
Interest received	20	-	-	-	5	25
Inter-segment elimination						(10)
Total consolidated interest received						15
Net loss	(1,232)	(1)	1	7	(4)	(1,229)
Inter-segment elimination						-
Total consolidated loss						(1,229)
Investment in subsidiary impairment loss	121	-	-	-	-	121
Inter-segment elimination						(121)
Total consolidated investment in subsidiary impairment loss						-
Depreciation	71	3	4	5	-	83
Capital expenditure	33	-	-	-	-	33
Segment assets – current	1,489	71	282	16	119	1,977
Segment assets – non-current	96	2	7	5	-	110
Inter-segment elimination						(192)
Total consolidated assets						1,895
Liabilities	788	99	281	16	7	1,191
Inter-segment elimination						(190)
Total consolidated liabilities						1,001

## 6 Other revenue

	Consolidated		Parent	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Government grants	65	163	65	163
Interest	14	15	22	21
Management fee	-	-	702	751
	79	178	789	935

Government grants relating to market development have been claimed during the year and recorded at fair value. There are no unfulfilled conditions or contingencies attaching to the grants.

## 7 Expenses

	Consolidated		Parent	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
<b>(a) Other operating expenses</b>				
Communications	106	101	78	76
Premises (operating lease)	109	127	69	83
Other	187	224	179	220
	402	452	326	379
<b>(b) Professional fees</b>				
Directors fees	82	75	82	75
Consultancy	55	248	1	-
Accountancy	67	97	32	80
Legal	1	7	1	6
	205	427	116	161
<b>(c) Depreciation, impairment and amortisation included in income statement</b>				
Depreciation	42	81	34	70
Amortisation	2	2	2	1
	44	83	36	71
<b>(d) Employee benefits expense</b>				
Wages and salaries	1,330	1,240	1,060	1,062
Other employee benefits expense	341	185	283	155
	1,671	1,425	1,343	1,217

## 8 Income tax

	Consolidated		Parent	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
<b>(a) Income tax expense</b>				
<i>Statement of comprehensive income</i>				
Current income tax	(33)	nil	(15)	nil
<b>(b) Reconciliation between tax at statutory rate and tax expense in the statement of comprehensive income</b>				
Loss before tax	(599)	(1,233)	(630)	(1,232)
Statutory tax at 15% to 35% thereon	(196)	(375)	(189)	(370)
Relating to origination and reversal of temporary differences	26	(16)	1	(16)
Non-deductible items	2	16	2	16
Non-refundable tax credit written off	15	-	15	-
Adjustment in respect of current tax in previous years	286	-	262	-
Prior year losses to be carried forward	(2,998)	(2,623)	(2,974)	(2,604)
Tax losses available to be carried forward to future periods not recognised at (28%) 30%	2,704	2,998	2,704	2,974
Impact of tax rate change to 28% (30%)	194	-	194	-
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>(33)</b>	<b>-</b>	<b>(15)</b>	<b>-</b>

### (c) Unrecognised temporary differences and tax losses

Unrecognised temporary differences are not material

Accumulated tax losses	(2,704)	(2,998)	(2,704)	(2,974)
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The company continues to meet the shareholder continuity requirement to carry forward tax losses. However, the directors do not believe the company meets the level of certainty of recoverability of tax losses required to recognise a deferred taxation asset and hence have not accounted for the asset.

	Parent	
	2011	2010
	\$000	\$000

### (d) Imputation credit balance

The amount of imputation credits available for the subsequent year are:

Balance at beginning of year	30	32
Add: Income tax payments during the year	-	-
RWT on interest received	3	12
Imputation credits attached to dividends paid during the year	-	-
	<u>3</u>	<u>12</u>
Less: Imputation credits attached to dividends paid during the year	-	-
Tax refund received	18	14
Other debits	-	-
	<u>18</u>	<u>14</u>
Balance at end of year	15	30
Balance at end of year available to the shareholders of the parent were:		
Through direct shareholding in the parent	15	30
Through indirect interests in subsidiaries	-	-
	<u>15</u>	<u>30</u>

## 9 Dividends paid and proposed

No dividends have been paid or proposed to date. (2010: nil)

## 10 Earnings per share

The following reflects the income used in the basic and diluted earnings per share computations:

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
<b>(a) Earnings used in calculating earnings per share</b>		
<i>For basic earnings per share:</i>		
Net loss attributable to ordinary equity holders of the parent	<b>(599)</b>	<b>(1,229)</b>
<i>For diluted earnings per share:</i>		
Net loss attributable to ordinary equity holders of the parent (from basic EPS)	<b>(599)</b>	<b>(1,229)</b>
Net loss attributable to ordinary equity holders of the parent	<b>(599)</b>	<b>(1,229)</b>
<b>(b) Weighted average number of shares</b>	<b>2011</b>	<b>2010</b>
	<b>Thousands</b>	<b>Thousands</b>
Weighted average number of ordinary shares for basic earnings per share	<b>28,826</b>	28,029
Effect of dilution:		
Share options	-	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	<b>28,826</b>	28,029

There are no instruments (e.g. share options) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for either of the periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

### (c) Information on the classification of securities

#### (i) Options

Options granted to employees (including key management personnel) as described in note 23 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These options have not been included in the determination of basic earnings per share.

## 11 Current assets - cash and cash equivalents

	Consolidated		Parent	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Cash at bank and in hand	427	317	152	249
Short-term deposits	549	763	549	763
	976	1,080	701	1,012

## 12 Current assets - trade and other receivables

	Consolidated		Parent	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Trade receivables	1,200	455	900	203
Allowance for impairment loss (a)	-	-	-	-
Other receivables	106	242	68	190
	1,306	697	968	393
Related party receivables (b)				
Subsidiaries	-	-	212	76
Other related parties	9	8	9	8
Carrying amount of trade and other receivables	1,315	705	1,189	477

### (a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-90 day terms. A provision for bad debts is recognised when there is objective evidence that an individual trade receivable is impaired.

Bad debts of \$nil (2010: nil) have been recognised by the Group and bad debts recovery of nil (2010: \$6,000) by the Company in the current year. These amounts have been included in other operating expenses item.

Movements in the provision for impairment loss were as follows:

	Consolidated		Parent	
	2011	2010	2011	2010
At 1 April	-	16	-	-
Charge for the year	-	(6)	-	-
Amounts written off	-	(10)	-	-
At 31 March	-	-	-	-

At 31 March 2011, the ageing analysis of trade receivables is as follows:

		Total	0 – 30 days	31 – 60 days	61- 90 days	+91 days	+91 days
				days	PDNI*	PDNI*	CI*
2011	Consolidated	1,200	931	161	41	67	-
2011	Parent	900	762	100	9	29	-
2010	Consolidated	455	345	57	28	25	-
2010	Parent	203	138	36	18	11	-

\* Past due not impaired (PDNI) Considered impaired (CI)

**(b) Related Party Receivables**

For terms and conditions of related party receivables refer to note 21.

**(c) Fair value and credit risk**

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

**(d) Foreign exchange and interest risk**

For further information on the management of foreign exchange and interest risk refer to Note 3.

**13 Non-current assets – investments in subsidiaries**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Investments in controlled entities (note 21)				
– at cost	-	-	<b>3</b>	3
	-	-	<b>3</b>	3

As all European sales are currently being administered by our subsidiary Datasquirt UK Limited, the investment in the subsidiary Datasquirt AG has been fully written down.

## 14 Non-current assets – property, plant and equipment

<b>Consolidated</b>	<b>Computer equipment \$000</b>	<b>Furniture and fittings \$000</b>	<b>Phones \$000</b>	<b>Total \$000</b>
<b>Year ended 31 March 2011</b>				
<b>At 1 April 2010 net of accumulated depreciation and impairment</b>	24	34	-	<b>58</b>
<b>Additions</b>	4	-	-	<b>4</b>
<b>Disposals</b>	-	-	-	<b>-</b>
<b>Depreciation charge for the year</b>	(12)	(6)	-	<b>(18)</b>
<b>At 31 March 2011 net of accumulated depreciation and impairment</b>	16	28	-	<b>44</b>
<b>At 31 March 2011</b>				
<b>Cost or fair value</b>	209	61	10	<b>280</b>
<b>Accumulated depreciation and impairment</b>	(193)	(33)	(10)	<b>(236)</b>
<b>Net carrying amount</b>	16	28	-	<b>44</b>

<b>Consolidated</b>	<b>Computer equipment \$000</b>	<b>Furniture and fittings \$000</b>	<b>Phones \$000</b>	<b>Total \$000</b>
<b>Year ended 31 March 2010</b>				
<b>At 1 April 2009 net of accumulated depreciation and impairment</b>	38	43	2	<b>83</b>
<b>Additions</b>	6	1	-	<b>7</b>
<b>Disposals</b>	-	-	-	<b>-</b>
<b>Depreciation charge for the year</b>	(20)	(10)	(2)	<b>(32)</b>
<b>At 31 March 2010 net of accumulated depreciation and impairment</b>	24	34	-	<b>58</b>
<b>At 31 March 2010</b>				
<b>Cost or fair value</b>	205	61	10	<b>276</b>
<b>Accumulated depreciation and impairment</b>	(181)	(27)	(10)	<b>(218)</b>
<b>Net carrying amount</b>	24	34	-	<b>58</b>

## 14 Non-current assets – property, plant and equipment (cont)

Parent	Computer equipment \$000	Furniture and fittings \$000	Phones \$000	Total \$000
<b>Year ended 31 March 2011</b>				
At 1 April 2010 net of accumulated depreciation and impairment	15	27	-	42
Additions	2	-	-	2
Disposals	-	-	-	-
Depreciation charge for the year	(7)	(4)	-	(11)
At 31 March 2011 net of accumulated depreciation and impairment	10	23	-	33
<b>At 31 March 2011</b>				
Cost or fair value	164	41	10	215
Accumulated depreciation and impairment	(154)	(18)	(10)	(182)
Net carrying amount	10	23	-	33

Parent	Computer equipment \$000	Furniture and fittings \$000	Phones \$000	Total \$000
<b>Year ended 31 March 2010</b>				
At 1 April 2009 net of accumulated depreciation and impairment	23	30	2	55
Additions	6	1	-	7
Disposals	-	-	-	-
Depreciation charge for the year	(14)	(4)	(2)	(20)
At 31 March 2010 net of accumulated depreciation and impairment	15	27	-	42
<b>At 31 March 2010</b>				
Cost or fair value	162	41	10	213
Accumulated depreciation and impairment	(147)	(14)	(10)	(171)
Net carrying amount	15	27	-	42

## 15 Non-current assets – intangible assets

<b>Consolidated</b>	<b>Software licences \$000</b>	<b>Patents and trademarks \$000</b>	<b>Total \$000</b>
<b>Year ended 31 March 2011</b>			
<b>At 1 April 2010 net of accumulated amortisation and impairment</b>	37	15	<b>52</b>
<b>Additions</b>	3	-	<b>3</b>
<b>Impairment</b>	-	(2)	<b>(2)</b>
<b>Amortisation charge for the year</b>	(24)	-	<b>(24)</b>
<b>At 31 March 2011 net of accumulated amortisation and impairment</b>	16	13	<b>29</b>
<b>At 31 March 2011</b>			
<b>Cost or fair value</b>	209	17	<b>226</b>
<b>Accumulated amortisation and impairment</b>	(193)	(4)	<b>(197)</b>
<b>Net carrying amount</b>	16	13	<b>29</b>

<b>Consolidated</b>	<b>Software licences \$000</b>	<b>Patents and trademarks \$000</b>	<b>Total \$000</b>
<b>Year ended 31 March 2010</b>			
<b>At 1 April 2009 net of accumulated amortisation and impairment</b>	61	16	<b>77</b>
<b>Additions</b>	25	1	<b>26</b>
<b>Impairment</b>	-	(2)	<b>(2)</b>
<b>Amortisation charge for the year</b>	(49)	-	<b>(49)</b>
<b>At 31 March 2010 net of accumulated amortisation and impairment</b>	37	15	<b>52</b>
<b>At 31 March 2010</b>			
<b>Cost or fair value</b>	206	17	<b>223</b>
<b>Accumulated amortisation and impairment</b>	(169)	(2)	<b>(171)</b>
<b>Net carrying amount</b>	37	15	<b>52</b>

## 15 Non-current assets – intangible assets (cont)

Parent	Software licences \$000	Patents and trademarks \$000	Total \$000
<b>Year ended 31 March 2011</b>			
At 1 April 2010 net of accumulated amortisation and impairment	36	15	51
Additions	3	-	3
Impairment	-	(2)	(2)
Amortisation charge for the year	(23)	-	(23)
At 31 March 2011 net of accumulated amortisation and impairment	16	13	29
<b>At 31 March 2011</b>			
Cost or fair value	208	17	225
Accumulated amortisation and impairment	(192)	(4)	(196)
Net carrying amount	16	13	29

Parent	Software licences \$000	Patents and trademarks \$000	Total \$000
<b>Year ended 31 March 2010</b>			
At 1 April 2009 net of accumulated amortisation and impairment	60	16	76
Additions	25	1	26
Impairment	-	(2)	(2)
Amortisation charge for the year	(49)	-	(49)
At 31 March 2010 net of accumulated amortisation and impairment	36	15	51
<b>At 31 March 2010</b>			
Cost or fair value	204	17	221
Accumulated amortisation and impairment	(168)	(2)	(170)
Net carrying amount	36	15	51

### (a) Description of the Group's intangible assets

#### (i) Software Licenses

Software license costs are carried at cost less accumulated amortisation and accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the diminishing value method over a period of 3 years. The amortisation has been recognised in the statement of comprehensive income in the line item depreciation and impairment. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

#### (ii) Patents and licences

Patents and licences are carried at cost less accumulated impairment losses or accumulated amortisation. These intangible assets have been determined to have finite useful lives. Patents and licences are subject to impairment testing on an annual basis or whenever there is an indication of impairment.

## 16 Current liabilities - trade and other payables

	Consolidated		Parent	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Trade payables	370	356	213	222
Payroll liabilities	125	54	117	41
Other payables	733	377	512	203
	<b>1,228</b>	<b>787</b>	<b>842</b>	<b>466</b>
Related party payables (a)				
Subsidiaries	-	-	120	114
Other related parties	193	109	184	109
Carrying amount of trade and other payables	<b>1,421</b>	<b>896</b>	<b>1,146</b>	<b>689</b>

### (a) Related party payables

For terms and conditions relating to related party payables refer to note 21.

### (b) Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

### (c) Foreign exchange and liquidity risk

For further information on the management of foreign exchange and liquidity risk refer to note 3.

## 17 Current liabilities - provisions

Movements in the provisions accounts were as follows:

	Consolidated		Parent	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
At 1 April	105	108	99	97
Charges for staff leave entitlements for the year	43	29	29	19
Reversals for staff leave entitlements for the year	(40)	(32)	(26)	(17)
At 31 March	<b>108</b>	<b>105</b>	<b>102</b>	<b>99</b>

## 18 Contributed equity

	Consolidated		Parent	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Ordinary shares (a)	11,850	11,310	11,850	11,310
	11,850	11,310	11,850	11,310

### (a) Ordinary shares

Issued and fully paid	11,850	11,310	11,850	11,310
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Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Thousands	\$000
<i>Movement in ordinary shares on issue</i>		
At 1 April 2009	28,029	11,310
At 31 March 2010	28,029	11,310
Transaction cost recovery - IPO (i)	-	34
Share issue (ii)	2,767	366
Share issue (iii)	1,237	159
Transaction costs – rights issue (iv)	-	(19)
At 31 March 2011	32,033	11,850

- (i) Recovery of GST on IPO costs
- (ii) Non-renounceable rights issue of 2,767,177 shares on 13 January 2011
- (iii) Issue of 1,236,914 shortfall shares to the rights issue underwriters on 27 January 2011
- (iv) Costs associated with rights Issue concluded on 13 January 2011

### (b) Option scheme

The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to certain executives and senior employees (refer note 23).

### (c) Capital management

Datasquirt Limited is an early stage technology company which listed on the Australian Securities Exchange in September 2007 for the express purpose of funding its international expansion program. The Board oversees the implementation of the global strategy, monitoring the capital available and how it is deployed to achieve the goals of the Group.

Management has no immediate plans to issue further shares on the market.

The Group is not subject to any externally imposed capital requirements.

## 19 Retained earnings and reserves

### *Foreign currency translation reserve*

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

### *Employee equity benefits reserve*

The employee equity benefits reserve is used to record the value of share based payments provided to employees, including key management personnel, as part of their remuneration. Given the current share price is well below the option exercise prices, the Directors have concluded that the share options may not be exercised. Therefore the fair value of the employee equity benefits reserve has been determined to be nil. (2010: \$nil). Refer to note 23 for further details of these plans.

## 20 Statement of cash flows reconciliation

	Consolidated		Parent	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
<b>Reconciliation of net profit to net cash flows from operations</b>				
Net loss	(599)	(1,229)	(630)	(1,232)
<i>Adjustments for non-cash items:</i>				
Depreciation	44	83	36	71
Net gain on foreign exchange	(39)	(20)	(35)	(16)
<i>Changes in assets and liabilities</i>				
(Increase)/decrease in trade and other receivables	(610)	(76)	(712)	139
(Decrease)/increase in trade and other payables	528	299	460	150
Net cash from operating activities	(676)	(943)	(881)	(888)

## 21 Related party disclosure

### (a) Subsidiaries

The consolidated financial statements include the financial statements of Datasquirt Limited and the subsidiaries, as listed in the following table:

Subsidiary name	Country of incorporation	Principal Activity	% of equity interest		Investment (\$000)	
			2011	2010	2011	2010
Datasquirt (Australia) Pty Limited	Australia	Software sales	100	100	-	-
Datasquirt UK Limited	United Kingdom	Software sales	100	100	-	-
Datasquirt LLC	United States	Software sales	100	100	3	3
Datasquirt AG	Germany	Software sales	100	100	-	-
					3	3

Local minimum equity requirements determined that Datasquirt Limited made an investment in setting up the subsidiary Datasquirt AG in 2007. However, the European market is currently being serviced by the UK subsidiary. As a result of the impairment review of the investment in the subsidiary Datasquirt AG, and due to fact that no cash flow is currently generated from this subsidiary, the investment has been written down to a nil value (2010: nil)

### (b) Ultimate parent

Datasquirt Limited is the ultimate New Zealand parent entity and the ultimate parent of the Group.

### (c) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 22.

### (d) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year (for information regarding outstanding balances on related party trade receivables and payables at year-end, refer to notes 12 and 16 respectively):

Related Party		Sales to related parties \$000	Purchases from related parties \$000	Amounts owed by related parties \$000	Amounts owed to related parties \$000
<b>Consolidated</b>					
<i>Shareholders:</i>					
Continuum	2011	-	(4)	-	-
	2010	-	(51)	-	(1)
Nightingale Partners Ltd	2011	-	-	-	-
	2010	-	(10)	-	-
<i>Directors and related entities:</i>					
First Mobile (common shareholder/director)	2011	-	(2)	-	-
	2010	-	(10)	-	(3)
David Lyons	2011	-	-	-	-
	2010	-	(5)	-	-
Jens Neiser	2011	-	(25)	-	(13)
	2010	-	(25)	-	(13)
Mark Loveys	2011	-	(40)	-	(13)
	2010	-	(36)	-	(20)
Aaron Ridgway	2011	10	-	9	(158)
	2010	-	-	8	(106)

<b>Related Party</b>		<b>Sales to related parties \$000</b>	<b>Purchases from related parties \$000</b>	<b>Amounts owed by related parties \$000</b>	<b>Amounts owed to related parties \$000</b>
<b>Parent</b>					
<i>Subsidiaries:</i>					
Datasquirt (Australia) Pty Ltd	<b>2011</b>	<b>364</b>	<b>(279)</b>	<b>141</b>	-
	2010	396	(387)	56	-
Datasquirt (UK) Limited	<b>2011</b>	<b>685</b>	<b>(622)</b>	<b>71</b>	-
	2010	764	(778)	8	-
Datasquirt LLC	<b>2011</b>	<b>35</b>	<b>(46)</b>	-	-
	2010	55	(73)	11	-
Datasquirt AG	<b>2011</b>	<b>9</b>	<b>(14)</b>	-	<b>(119)</b>
	2010	31	(17)	-	(114)
<i>Shareholders:</i>					
Nightingale Partners Ltd	<b>2011</b>	-	-	-	-
	2010	-	(10)	-	-
<i>Directors and related entities:</i>					
First Mobile	<b>2011</b>	-	<b>(2)</b>	-	-
(common shareholder/director)	2010	-	(10)	-	(3)
David Lyons	<b>2011</b>	-	-	-	-
	2010	-	(5)	-	-
Jens Neiser	<b>2011</b>	-	<b>(25)</b>	-	<b>(13)</b>
	2010	-	(25)	-	(13)
Mark Loveys	<b>2011</b>	-	<b>(40)</b>	-	<b>(13)</b>
	2010	-	(36)	-	(20)
Aaron Ridgway	<b>2011</b>	<b>10</b>	-	<b>9</b>	<b>(158)</b>
	2010	8	(106)	8	(106)

*Terms and conditions of transactions with related parties:*

(i) Shareholders and other related parties

Sales to and purchases from related parties are made in arms length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

Enprise Limited and First Mobile are entities with which Datasquirt Limited transacts and are owned by Directors of the Group.

(ii) Subsidiaries

The transactions between the parent, Datasquirt Limited, and its subsidiaries, are comprised of cash advances from the parent to the subsidiaries, purchases made on behalf of one entity by another and transfer pricing transactions. The transfer pricing transactions include a management fee charged by the parent to each subsidiary, interest charged on intercompany balances during the year, and market support payments made by the parent to the subsidiary.

## 22 Key management personnel

### Compensation for key management personnel

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Salaries, bonuses and commissions	<b>1,126</b>	1,020	<b>813</b>	867
Other benefits	-	-	-	-
<b>Total compensation</b>	<b>1,126</b>	1,020	<b>813</b>	867

During the year, the number of employees or former employees, not being directors of Datasquirt Limited received remuneration and the value of other benefits that exceeded \$100,000 as follows:

	<b>2011</b>	<b>2010</b>
	<b>Number of employees</b>	
100,001 – 110,000	<b>1</b>	1
110,001 – 120,000	-	1
120,001 – 130,000	-	-
130,001 – 140,000	<b>1</b>	-
140,001 – 150,000	-	-
150,001 – 160,000	<b>1</b>	1
160,001 – 170,000	-	1
170,001 – 180,000	<b>1</b>	-
180,001 – 190,000	-	-
190,001 – 200,000	-	1
200,001 – 210,000	-	-
210,001 – 220,000	-	-
220,001 – 230,000	-	-
230,001 – 240,000	<b>1</b>	-
240,001 – 250,000	-	-
250,001 – 260,000	-	-
260,001 – 270,000	-	-
270,001 – 280,000	-	1
280,001 – 290,000	-	-
290,001 – 300,000	-	-
300,001 – 310,000	-	-
310,001 – 320,000	<b>1</b>	-

## 23 Share-based payment plans

### (a) Recognised share-based payment expenses

The expense recognised for employee services received during the year is shown in the table below:

	Consolidated		Parent	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Expense arising from equity-settled share-based payment transactions	-	-	-	-
Total expense arising from share-based payment transactions	-	-	-	-

The share-based payment plans are described below:

### (b) Types of share-based payment plans

#### *Employee Share Scheme (ESS)*

The Company has established an Employee Share Scheme under which the Company may offer shares to key employees.

There are currently 687,732 fully paid shares held by the Employee Share Trust for the benefit of two senior executives.

As a condition of these options, the shares would vest immediately in the event of an IPO or trade sale. Therefore when Datasquirt listed in September 2007, these shares were vested.

#### *Employee Share Options (ESOP)*

Share options may be granted to senior executives at the discretion of the Board, to align participants' interests with those of shareholders by increasing the value of the Company's shares. The exercise price of the options is set at the listing price of the shares, vesting over a three year period.

### (c) Summary of options granted under the share based payment plans

No options granted have been forfeited or exercised during the year ended 31 March 2011 (2010: nil).

The outstanding balance of exercisable options as at 31 March 2011 is represented by:

- 4,725 options over ordinary shares with an exercise price of \$37.85 issued prior to the share split (equivalent shares post share split 440,197 with an exercise price of A\$0.41 held by the Employee Share Trust);
- 2,656 options over ordinary shares with an exercise price of \$56.48 issued prior to the share split (equivalent shares post share split 247,535 with an exercise price of A\$0.41 held by the Employee Share Trust);
- 100,000 options over ordinary with an exercise price of A\$0.90 each.

### (d) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 31 March 2011 is 2 years (2010: 3).

### (e) Weighted average fair value

The weighted average fair value of options granted during the year was nil (2010: nil).

### (f) Option pricing model

Equity-settled transactions

The fair value of the equity-settled share options is estimated as at the date of grant using the Black Scholes Model taking into account the terms and conditions upon which the options were granted. The value of the option is a function of possible future prices of the underlying share, taking into account factors of volatility, time to maturity and current risk free interest rates.

It has also been recognised that the option, and not the underlying shares, are being valued, and the options are not transferable. Therefore a discount rate has been applied to reflect their lack of marketability.

The following table lists the inputs to the models used for the year ended 31 March 2009:

	ESS 2009	ESS 2009	ESOP 2009
<i>Number of options</i>	4725	2656	100,000
Dividend yield (%)	0.00	0.00	0.00
Expected volatility (%)	55.00	55.00	55.00
Risk-free interest rate (%)	6.15	6.58	7.15
Expected life of option (years)	5	5	5
Option exercise price (\$NZ)	37.85	56.48	-
Option exercise price (\$AU)	-	-	.90
Weighted average share price at measurement date (\$NZ)	15.43	23.27	-
Weighted average share price at measurement date (\$AU)	-	-	.375
Model used	Black Scholes	Black Scholes	Black Scholes

As Datasquirt listed with ASX in September 2007, and does not have a long term trading history, volatility has been determined by reference to other listed Australian technology companies over the comparable periods of the grant of the options.

Given the current share price is well below the option exercise prices, the Directors have concluded that the share options may not be exercised. Therefore the fair value of the employee equity benefits reserve has been determined to be nil. (2010: nil).

## 24 Commitments

### (i) Leasing commitments

#### *Lease commitments*

The Group has entered into a commercial lease on the premises for Datasquirt New Zealand. The annual rent is \$45,000 inclusive of car parks.

The Group utilises hosting services with an annual contracted value of nil (2010: \$131,000).

The total expense recognised for the year ended 31 March 2011 in relation to operating commitments is \$49,000 (2010:\$306,000).

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	Consolidated		Parent	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Within one year	49	250	45	162
After one year but not more than five years	-	174	-	174
After more than five years	-	-	-	-
Total minimum lease payments	49	424	45	336

### (ii) Property, plant and equipment commitments

The Company and Group had no contractual obligations to purchase plant and equipment at balance date. (2010: \$nil).

## 25 Contingencies

There were no known material contingent liabilities at 31 March 2011 (2010: Nil).

## 26 Events after the reporting date

There were no events of a material nature after reporting date which required adjustment or disclosure (2010: Nil).

## 27 Auditors' remuneration

	Consolidated		Parent	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Amounts received or due and receivable by WHK Auckland for:				
Audit of the financial statements	37	39	37	39
<b>Total</b>	<b>37</b>	<b>39</b>	<b>37</b>	<b>39</b>

The auditor of Datasquirt Limited is WHK Auckland.

## 28 Financial instruments classification

	Held for trading	Loans and receivable	Available for sale	Other amortised cost	2011
Consolidated	\$000	\$000	\$000	\$000	Total \$000
<b>Financial Assets:</b>					
Cash and cash equivalents	976	-	-	-	976
Trade and other receivables	-	1,290	-	-	1,290
<b>Total</b>	<b>976</b>	<b>1,290</b>	<b>-</b>	<b>-</b>	<b>2,266</b>

<b>Financial Liabilities:</b>					
Trade and other payables	-	836	-	-	836
<b>Total</b>	<b>-</b>	<b>836</b>	<b>-</b>	<b>-</b>	<b>836</b>

	Held for trading	Loans and receivable	Available for sale	Other amortised cost	2010
Consolidated	\$000	\$000	\$000	\$000	Total \$000
<b>Financial Assets:</b>					
Cash and cash equivalents	1,080	-	-	-	1,080
Trade and other receivables	-	639	-	-	639
<b>Total</b>	<b>1,080</b>	<b>639</b>	<b>-</b>	<b>-</b>	<b>1,719</b>

<b>Financial Liabilities:</b>					
Trade and other payables	-	704	-	-	704
<b>Total</b>	<b>-</b>	<b>704</b>	<b>-</b>	<b>-</b>	<b>704</b>

	Held for trading	Loans and receivable	Available for sale	Other amortised cost	2011
Parent	\$000	\$000	\$000	\$000	Total \$000
<b>Financial Assets:</b>					
Cash and cash equivalents	701	-	-	-	701
Trade and other receivables	-	1,181	-	-	1,181
<b>Total</b>	701	1,181	-	-	1,882
<b>Financial Liabilities:</b>					
Trade and other payables	-	726	-	-	726
<b>Total</b>	-	726	-	-	726
	Held for trading	Loans and receivable	Available for sale	Other amortised cost	2010
Parent	\$000	\$000	\$000	\$000	Total \$000
<b>Financial Assets:</b>					
Cash and cash equivalents	1,012	-	-	-	1,012
Trade and other receivables	-	456	-	-	456
<b>Total</b>	1,012	456	-	-	1,468
<b>Financial Liabilities:</b>					
Trade and other payables	-	625	-	-	625
<b>Total</b>	-	625	-	-	625

## Corporate Information

New Zealand company number	1562383
ARBN (Australian Registered Body Number)	125 825 792
ABN (Australian Business Number)	41 125 825 792

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### Directors

Mark Loveys	<i>Chairman</i>
Aaron Ridgway	<i>Chief Executive Officer</i>
Jens Neiser	
Robert Ellis	

### Local Agent

Company Matters Pty Limited

### Share Register

Registries Limited  
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Datasquirt Limited shares are listed on the Australian Securities Exchange

### Auditor

WHK Auckland, New Zealand

### Lawyer

Hudson Gavin Martin, Auckland, New Zealand

### Principal Bankers

ASB Bank Limited, Auckland, New Zealand