

# COME FOR **VALUE.** STAY FOR **MORE.**

ANNUAL REPORT 2015.



**ADVANCED**  
SHARE REGISTRY

## **CORPORATE DIRECTORY**

### **Board of Directors**

#### **Directors**

S K Cato	Non-Executive Chairman
K P Chong	Managing Director
A Tan	Non-Executive Director
A C Winduss	Non-Executive Director

#### **Company Secretary**

A C Winduss

#### **Stock Exchange Listing**

**ASX Code ASW**

Advanced Share Registry Limited is a company limited by shares, incorporated in Australia.

#### **Share Registry**

Advanced Share Registry Services

110 Stirling Highway

Nedlands WA 6009

Telephone: +61 8 9389 8033

Facsimile: +61 8 9262 3723

Website: [www.advancedshare.com.au](http://www.advancedshare.com.au)

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#### **Auditors**

Grant Thornton Audit Pty Ltd

Level 1, 10 Kings Park Road

West Perth WA 6005

#### **Solicitors**

Eaton Hall

PO Box 419, Claremont

Perth WA 6910

**FROM THE CHAIRMAN**

Dear Shareholder,

On behalf of the Board of Advanced Share Registry Limited (**Group**), I am pleased to send to you this Annual Report for the financial year to 30 June 2015.

This year, as previous years remained extremely challenging. In the context of this difficult time we are pleased to report a continuing significant profit for the period and the declaration and payment of a franked dividend of 1.70 cents per share (1.85 cents final dividend in the last corresponding period) for the 6 month period to 30 June 2015 and therefore a total dividend over the year of 3.7c (3.7c in 2014). This reflects the board policy of returning profits to shareholders as we have a significant cash balance and no debt.

The Advanced Share Registry Services business continues to perform and we have been consistently proactive in managing costs while increasing services to clients.

The full benefit of the installation of in house printing, folding and enveloping equipment has enabled us to maintain profits at previous levels despite the severe downturn in the mining sector. We can in-house print and finish high quality colour documents, then automatically envelope and pre-sort for the post office. This gives all clients certainty that deadlines will be met and that security of information can be maintained.

Following the shareholder meeting on the 13 August 2015 we paid, in conjunction with our final dividend, a capital return of 2.44c per share. This payment was made from our capital reserves which have not been touched for the operation of the business since we listed in 2008. The expected tax treatment of this payment for most shareholders is to be capital in nature and therefore not assessable income for those shareholders. We have applied for a class ruling with the ATO and expect the ruling to be available to shareholders shortly.

The strength of our service offering and the functionality of our website for both company clients and their shareholders is maintaining client numbers but the general weakness of the market is retarding growth. The Board is continuing to examine ways to utilize our infrastructure for additional business opportunities.

The board would also like to extend our warmest thanks to all staff for their efforts in this challenging environment.

On behalf of the Directors, I welcome new shareholders, thank continuing shareholders for their support and look forward to a financially positive future.



.....  
Simon Cato  
Chairman



## **DIRECTORS' REPORT**

The Directors present their report, together with the financial report of the Group for the year ended 30 June 2015 and the auditor's report thereon.

Directors of the Group at any time during or since the end of the financial year are:

Simon Cato	Non-Executive Chairman
Kim Chong	Managing Director
Alvin Tan	Non-Executive Director
Alan Winduss	Non-Executive Director

Information regarding business and working experience of the Directors is set out below:

### **Simon Kenneth Cato**

Qualifications

Experience

- Chairman
- B A (USYD)
- Mr Simon Cato has had over 30 years capital markets experience in broking, regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and then in Perth. From 1991 until 2006, he was an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker, he was also involved in the underwriting of a number of IPO's and has been through the process of IPO listing in the dual role of broker and director. Currently, he holds a number of executive and non-executive roles with listed companies in Australia.

Interest in Shares & Options

Special Responsibilities

Directorships held in other

Listed entities

- 520,000 ordinary shares, nil options
- Mr Cato is the non-executive chairman of the Group
- Mr Cato is a director of Greenland Minerals and Energy Ltd (since 21 February 2006) and Bentley Capital Ltd (since 8 January 2015).

Former directorships in other listed entities in past 3 years are: Queste Communications Ltd (6 February 2008 to 3 April 2013) and Transactions Solutions International Ltd (from 26 February 2010 to 30 August 2013).

### **Kim Phin Chong**

Experience

- Managing Director
- Appointed director on 22 August 2007
- Mr Chong has been involved in the share registry business for over 30 years. Following over 14 years working in the industry.

## DIRECTORS' REPORT

Mr Chong commenced Advanced Share Registry Services in 1996. His experience in information technology and business skills has been a major influence in making the group such a success.

Interest in Shares & Options  
Special Responsibilities

- 23,891,044 ordinary shares, nil options
- Mr Chong is the managing director of the Group, responsible for the day to day management of the business.

Directorships held in other  
listed entities

- Nil

**Alvin Tan**  
Qualifications  
Experience

- Non Executive Director
- B Com (Hons)
- Appointed director on 11 September 2007

Mr Tan has over 20 years' experience in Australia and Asia, including mergers, acquisitions, capital raisings and listings on the ASX, AIM, Bursa and German Stock Exchange.

Mr Tan studied at the University of Western Australia, gaining a Bachelor of Commerce with Honours, and was then employed by KPMG in Kuala Lumpur from 1993-1995 as a financial consultant. Returning to Australia, he worked with the stockbroking firm of DJ Carmichael before pursuing other business interests. He was a founding director of various companies which are now listed on ASX.

Mr Tan has interests in companies involved in technology, mining exploration, property development, plantation and corporate services both in Australia and overseas.

Interest in Shares & Options  
Directorships held in other  
listed entities

- 525,500 ordinary shares, nil options.
- Mr Tan is a director of South Pacific Resources Ltd (formally Coral Sea Petroleum Limited since 2000) and BKM Management Ltd (since 2002).

Former directorships in other listed entities in past 3 years are:  
Nil.

**Alan Charles Winduss**  
Qualifications  
Experience

- Non Executive Director and Company Secretary
- CPA, FTIA, FAICD, AFAIM
- Appointed director 22 August 2007

Mr Winduss is a director of Winduss & Associates Pty Ltd. He has been involved in professional accounting in public practice for over 30 years, specialising in matters relating to corporate management, restructuring, corporate finance and company secretarial matters, including ASX and ASIC compliance.

## **DIRECTORS' REPORT**

In addition to his accounting background, he is an Associate Fellow of the Australian Institute of Management, a Fellow of the Australian Institute of Company Directors and is a registered Australian company auditor.

### **Interest in Shares & Options Special Responsibilities**

- 220,000 ordinary shares, nil options
- Mr Winduss is the Secretary and Chief Financial Officer of the Company.

### **Directorships held in other listed entities**

- United Overseas Australia Limited ASX Listed (since November 1995), UOA REIT BHD Bursa Malaysia Listed (since October 2008), UOA Development Bursa Malaysia Listed (since January 2011).

Former directorships in other listed entities in past 3 years are: Quest Minerals Limited (Chairman) ASX Listed (from August 2008 to April 2013), Black Ridge Mining NL (Chairman) ASX Listed (from February 2011 to April 2013), Magna Mining Limited ASX Listed (from September 2009 to April 2013).

### **The Year under Review**

In financial year to 30 June 2015 the Group achieved gross sales of \$5,157,489 and a profit before taxation of \$2,264,960.

This profit was after charges of \$310,359 for amortisation and depreciation.

The Board is pleased with this result having regard to a year of difficult market conditions. Economic conditions which influence corporate market activity influence future sales and profit levels for the group and in order to minimise the effect of these market variables are adding further services and products to its portfolio of services to clients.

The Group paid a final dividend of 1.70c per share from 2015 operating profits on 20 August, 2015.

The Directors are confident of continuing growth for the Group but also realise economic conditions and market competition will influence this growth rate.

### **Directors' Meetings**

<u>Director</u>	<u>Board Meetings Held</u>	<u>Board Meetings Attended</u>
S. Cato	6	6
K. Chong	6	6
A. Tan	6	6
A. Winduss	6	6

## **DIRECTORS' REPORT**

### **Corporate Governance Statement**

Unless disclosed below, all current recommendations of the ASX Corporate Governance Council ("Council") have been applied for the entire financial year ended 30 June 2015.

### **Board**

#### **Roles and responsibilities of the Board**

The Board has a responsibility for protecting the rights and interests of shareholders and is responsible for the overall direction, monitoring and governance of the Group. Responsibility for managing the business on a day-to-day basis has been delegated to the Managing Director.

The Board is responsible for the overall corporate governance of the Company and its subsidiaries. Responsibilities and functions of the Board include:

- a. Setting the strategic direction of the Group, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives;
- b. Ensuring that there are adequate resources available to meet the Group's objectives;
- c. Appointing the Chief Executive Officer and evaluating the performance and determining the remuneration of senior executives, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- d. Evaluating the performance of the Board and its Directors on an annual basis;
- e. Determining remuneration levels of Directors;
- f. Approving and monitoring financial reporting and capital management;
- g. Approving and monitoring the progress of business objectives;
- h. Ensuring that any necessary statutory licenses are held and compliance measures are maintained to ensure compliance with the law and license(s);
- i. Ensuring that adequate risk management procedures exist and are being used;
- j. Ensuring that the Group has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;
- k. Ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Group; and
- l. Ensuring procedures are in place for ensuring the Group's compliance with the law, and financial and audit responsibilities, including the appointment of an external auditor and reviewing the Board's financial statements, accounting policies and management processes.

#### **Composition of the Board**

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report.

## **DIRECTORS' REPORT**

The composition of the Group's Board is determined by the following principles:

- Directors appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment and thereafter are subject to re-election in accordance with the Group's constitution;
- a non-executive independent Director as Chairperson
- the Board shall comprise at least three Directors, increasing where additional expertise is considered desirable in certain areas, or when an outstanding candidate is identified; and
- the Board should comprise Directors with an appropriate range of qualifications and expertise.

The Board will review its composition on an annual basis to ensure it has the appropriate mix of expertise and experience. Where a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board will select the appropriate candidates with the relevant qualifications, skills and experience.

The names of the independent Directors of the Group are Mr Simon Cato and Mr Alvin Tan.

When determining whether a non-executive Director is independent, the Director must not fail any of the following materiality thresholds:

- less than 10% of the Group shares held by the Director and any entity or individual directly or indirectly associated with the Director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the Director; and
- none of the Directors' income, or the income of an individual or entity directly or indirectly associated with the Director, is derived from a contract with any member of the Economic Entity other than the income derived as a Director of the entity.

Independent Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Group's expense. Written approval must be obtained from the Chairperson prior to incurring any expenses on behalf of the Group.

Contrary to the Council's recommendation that the majority of the Board should be independent Directors, the Board believes that the current size and stature of the Group does not warrant the addition of any new independent Directors to the Board. The Board is of the opinion that the objectives and current strategy of the Group are best served and achievable by members of the current Board irrespective of their degree of independence. It is, however, the Board's intention to continually review and assess the benefits associated with the introduction of external independent non-executive Directors.



## **DIRECTORS' REPORT**

### **Nomination Committee**

The Board has not established a separate Nomination Committee, nor has it adopted a Nomination Committee Charter. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are discussed at Board meetings from time to time as required.

As noted above, the full Board carries out the role of the Nomination Committee. The full Board did not officially convene in its capacity as a Nomination Committee during the Reporting Period, however nomination-related discussions occurred from time to time during the year as required.

### **Remuneration Committee**

The Board believes that the Group is not of size, nor are its financial affairs of such complexity, to justify the establishment of a Remuneration Committee of the Board of Directors as recommended by the Council.

Notwithstanding its reasons for not establishing a Remuneration Committee, the Board resolved that it would be beneficial to adopt and implement a formal Charter that clearly sets out the Remuneration Committee's role and responsibilities, composition, structure and membership requirements. The Board undertakes the functions of the Remuneration Committee as appropriate.

All reviews of remuneration packages and policies applicable to Executive Directors, Non-Executive Directors and Senior Executive are normally conducted on an annual basis by the Board undertaking the role of the Remuneration Committee.

The total maximum remuneration of Non-Executive Directors was the subject of a Shareholder resolution in accordance with the Group's Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board, having regard to inputs and value to the Group of the responsible contributions by each Non-Executive Director. The current limit, which may only be varied by Shareholders in general meeting, is an aggregate amount of \$250,000 per annum.

The Board may award additional remuneration to Non-Executive Directors called upon to perform extra services or who make special exertions on behalf of the Group.

The Board will annually review the necessity to establish a Remuneration Committee.

### **Performance Evaluation**

No formal performance evaluation of the Board was conducted for the year ended 30 June 2015 as the Board believes that the Group is not of size, nor are its financial affairs of such complexity, to warrant such an exercise. No external remuneration consultants were engaged by the Group during the year.

## **DIRECTORS' REPORT**

The Board recognises the importance of performance evaluations and will continually assess the necessity and timing of future performance evaluation, including considering the appointment of an independent consultant to develop a questionnaire to be collated and developed into a series of recommendations to improve performance.

### **Audit Committee**

The Group has not established an audit committee at this time. The role of the audit committee will be assumed by the full Board of Directors. The Board has strong skills and experience in area of finance and corporate management and considers these skills adequate to enable the board to fulfil the requirements of an Audit Committee.

As per 4.1, the role of the Audit Committee will be assumed by the full Board operating under the Corporate Governance Policies until such time as the Board determines that is appropriate.

Whilst not in accordance with the best practice recommendation, the Group is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are addressed and actioned. Further, the Board does not consider that the Group is of sufficient size to justify the appointment of additional directors, and to do so for the sole purpose of satisfying this requirement would be cost prohibitive and counter productive.

The Board will annually review the necessity to establish an Audit Committee.

### **Share Trading Policy**

Whilst the Board encourages its Directors and employees to own securities in the Group, it is also mindful of its responsibility that the Group complies with the Corporations Act 2001 pertaining to 'Insider trading' and its 'proper duties in relation to the use of Insider trading'.

To ensure that the above issues comply with the requirements of the Corporations Law, the Board has established a policy on share trading in the Group's securities by Directors and employees. Essentially, the policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the securities prices. Active trading in Group shares with a view to derive profit related income is prohibited at all times.

### **Diversity Policy**

The Group has formed a committee of three directors, two independent, and one executive director to establish and monitor its diversity policy as required under ASX Corporate Government Principles. At the date of this report the Group has:

Total female employees are 9 which is 60% of all employees.

## **DIRECTORS' REPORT**

Total female senior executives, nil.

Total female board members, nil.

### **Continuous Disclosure**

The Group has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.

The Group's Continuous Disclosure Policy will soon be disclosed on the Group's website.

### **Shareholder Communication**

The Group is currently designing and reviewing a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

The Group's Shareholder Communication Policy will soon be disclosed on the Group's website.

### **Risk Management**

The Board has adopted a Risk Management Policy that sets out a framework for a system of risk management and internal compliance and control whereby the Board delegates day-to-day management of risk to the Managing Director. The Managing Director, with the assistance of other directors as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

The Board is responsible for supervising the management's framework of control and accountability systems to enable risk to be assessed and managed.

In addition, the following risk management measures have been adopted by the Board to manage the Group's material business risks:

- the Board has established defined guidelines for capital expenditure. These include levels of authority, appraisal procedures and due diligence requirements on potential acquisitions or disposals;
- the Board has adopted a continuous disclosure policy for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and

The Group's risk management strategy is evolving and will be an ongoing process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Group's activities.

As the Board has responsibility for the monitoring of risk management it has not required a formal report regarding the material risks and whether those risks are managed effectively. However, the

## **DIRECTORS' REPORT**

Board receives regular reports from Managing Director as to the effectiveness of the Group's management of its material business risks, and the Board believes that Managing Director is effectively communicating its significant and material risks to the Board.

The categories of risk reported on as part of the Group's systems and processes for managing materials business risks are financial and operational.

### **Code of Conduct**

The Group is reviewing its Code of Conduct and this will be disclosed on the Group's website shortly.

### **Managing Director Certification of financial statements**

The Board before it approves the Group's financial statements for a financial period, receives from the Managing Director and Company Secretary a declaration under section 295A of the Corporations Act that in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### **External Auditor available at AGM**

At the AGM the Group's external auditor will be present and is available to answer questions from security holder's relevant to the audit.

### **Other Information**

Further information relating to the Group's Corporate Governance practices and policies will be made publicly available on the Group's website [www.advancedshare.com.au](http://www.advancedshare.com.au)

### **Ethical Standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

### **Term in Office**

Term in office for each Director at the date of this report is:

S. Cato	8 years
K. Chong	8 years
A. Tan	8 years
A. Winduss	8 years

### **Information Distributed to Shareholders**

The annual report is distributed to all shareholders. The Board ensures that the annual report contains relevant information about the operations of the Group in the period under review, changes in the state



## DIRECTORS' REPORT

of affairs of the Group and other disclosures as required by the Corporations Act 2001 and Australian Securities Exchange Listing Requirements.

The half yearly report is distributed to shareholders on request.

### Interests in the Shares of the Group

As at the date of this report, the interests of the directors in the shares of Group were:

	Ordinary Shares	
	Direct	Indirect
S. Cato	375,000	145,000
K. Chong	-	23,891,044
A. Tan	-	525,500
A. Winduss	215,000	5,000

### Earnings per Share

Basic Earnings per Share	3.50 cents
Diluted Earnings per Share	3.50 cents

Dividends Paid or Recommended	Cents per share	Total
Final dividend – 20 August 2014	1.85c	\$788,405
Interim dividend paid – 10 February 2015	2.00c	\$854,430
Final dividend – 20 August 2015	1.70c	\$726,691

### Nature of Operations and Principal Activities

The principal activity of the Group during the period under review was a provider of Share Registry and associated services.

### Employees

The Group employed 15 persons as at 30 June 2015. (2014: 19 persons)

### Summarised Operating Results

The Board has identified that the Group operates in only one industry segment, being registry services. However, to provide additional information, our revenue has been classified as being derived from:

## **DIRECTORS' REPORT**

### **Industry Segment**

Registry Services  
Investment Income

### **Revenue**

\$5,159,666  
\$140,325

### **Shareholder Returns**

The Board of Directors approved an ordinary 1.70c fully franked dividend which was paid on 20 August 2015.

	<b>2015</b>	<b>2014</b>
Basic earnings per Share	3.50c	3.68c
NTA per share	14.64c	14.38c
Return on Equity	19.11%	19.87%
Return on Assets	17.43%	18.26%

### **Cash Flow from Operations**

Cash flow from operations has been positive during the period and this is not expected to change in future periods. Cash surplus will be used for investment and expansion of the business.

### **Likely Developments and Results**

The Directors believe that likely developments in the operations of the Group and expected results from operations have been adequately disclosed in this report.

### **Environmental Regulations**

The Group's operations are not subject to significant environment regulations under Australian Legislation in relation to the conduct of this operation.

### **Significant Events after Balance Date**

The following matter or circumstance has arisen since balance date in relation to the Group:

The Group proposed a fully franked dividend of 1.70 cents per share which was paid on 20 August 2015. Except for the matter described above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Following Shareholder approval at a General Meeting held on 20 August 2015 a return of capital of 2.44 cents per share was made to eligible shareholders on 20 August 2015.

### **Insurance of Officers**

There have been no premiums paid or indemnification given to any person who is a director or officer of the Group.

## DIRECTORS' REPORT

### REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration of each key management person of Group.

#### Remuneration Policy

The remuneration policy of the Group has been designed to align key management personnel objectives with shareholder and business objectives. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Group's current remuneration policy does not provide for the payment of any performance based remuneration to Directors, Executives or other key management personnel. The remuneration policy also does not provide for any shares or options to be granted to those personnel in respect of their remuneration packages.

#### Key Management Personnel Remuneration

The Board of Directors are responsible for determining and reviewing compensation arrangements for the Directors, Chief Executive Officer and the Executive team. No remuneration consultants were used during the year. The Directors assess the appropriateness of the nature and amount of the emoluments on a periodical basis by reference to employment market conditions and performance with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality board and executive team.

#### Remuneration Report

Key Management Personnel	Position held as at 30 June 2015 and any change during the year	Contract details (duration and termination)
Mr Kim Phin Chong	Chief Executive Officer / Managing Director	Under contract until 10 May 2017 with a 90 day notice period required for termination.
Mr Simon Cato	Chairman (Non-executive)	No fixed term.
Mr Alan Winduss	Director (Non-executive)	No fixed term.
Mr Alvin Tan	Director (Non-executive)	No fixed term.

## DIRECTORS' REPORT

### Table of Benefits and Payments for the Year Ended 30 June 2015

Key Management Personnel		Short – term	Post-employment	Long – term	Equity- settled	Total
		benefits Salary and fees	benefit Super-annuation	benefits Long service Leave	Share-based Payments Shares	
Mr Kim Phin Chong	2015	\$213,143	\$17,780	\$4,293	\$31,750	\$266,966
	2014	\$272,923	\$17,780	\$436	-	\$291,139
Mr Simon Cato	2015	\$33,000	\$12,000	-	\$15,875	\$60,875
	2014	\$35,500	\$12,000	-	-	\$47,500
Mr Alan Winduss	2015	\$27,000	-	-	\$9,525	\$36,525
	2014	\$28,500	-	-	-	\$28,500
Mr Alvin Tan	2015	\$27,000	-	-	\$9,525	\$36,525
	2014	\$28,500	-	-	-	\$28,500
Total	2015	\$300,143	\$29,780	\$4,293	\$66,675	\$400,891
	2014	\$365,423	\$29,780	\$436	-	\$395,639

The rights issued under 'Employee Performance Rights and Share Plan' were issued to employees other than key management personnel. No performance based remuneration has been, or will be, paid in relation to the year ended 30 June 2015 (2014: Nil). 105,000 securities were issued to key management personnel as approved at the Annual General Meeting on 12 November 2014 (2014: Nil).

The Group did not receive a "no" vote of 25% or more at its 2014 Annual General Meeting in relation to the resolution relating to the remuneration report.

### KMP Shareholdings

The number of ordinary shares in the Group held by each Key Management Personnel directly or indirectly of the Group during the financial year is as follows:

30 June 2015	Balance at start of year	Issued during the year	Purchased/(sold) during the year	Balance at the end of the year
S. Cato	495,000	25,000	-	520,000
K. Chong	23,809,500	50,000	31,544	23,891,044
A. Tan	510,500	15,000	-	525,500
A. Winduss	205,000	15,000	-	220,000
	25,020,000	105,000	31,544	25,156,544



## DIRECTORS' REPORT

<b>30 June 2014</b>	<b>Balance at start of year</b>	<b>Issued during the year</b>	<b>Purchased/(sold) during the year</b>	<b>Balance at the end of the year</b>
S. Cato	495,000	-	-	495,000
K. Chong	23,809,500	-	-	23,809,500
A. Tan	510,500	-	-	510,500
A. Winduss	205,000	-	-	205,000
	<u>25,020,000</u>	<u>-</u>	<u>-</u>	<u>25,020,000</u>

105,000 securities were issued to key management personnel as approved at the Annual General Meeting on 12 November 2014 (2014: Nil).

### END OF REMUNERATION REPORT (AUDITED)

#### Proceedings on Behalf of Group

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

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

#### Non Audit Services

No non-audit services were provided by the entity's auditor for the year ended 30 June 2015 or 30 June 2014.

**DIRECTORS' REPORT**

**Auditor's Independence Declaration**

The auditor's independence declaration for period ending 30 June 2015 has been given and can be found on page 17 of this report.

Signed in accordance with a resolution of the Board of Directors



.....  
Simon Cato  
Chairman of Directors

Signed at Perth on 17 September 2015.

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**Auditor's Independence Declaration  
To the Directors of Advanced Share Registry Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Advanced Share Registry Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



P W Warr  
Partner – Audit & Assurance

Perth, 17 September 2015

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**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITY**  
**ABN 14 127 175 946**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Sales Revenue	2	5,157,489	5,173,083
Other income	2	142,502	184,405
Occupancy expenses	3	(256,650)	(217,971)
Administrative expenses	3	(1,521,878)	(1,543,522)
Other operating expenses	3	(863,323)	(970,765)
Depreciation and amortisation expenses	3	(310,359)	(277,618)
Share-based payments	17	(82,821)	(12,215)
Profit before income tax		2,264,960	2,335,397
Income tax expense	4	(771,538)	(769,463)
Profit attributable to members		1,493,422	1,565,934
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		1,493,422	1,565,934
Basic earnings per share ( cents per share)	23	3.50c	3.68c
Diluted earnings per share ( cents per share)	23	3.50c	3.68c

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	4,851,487	4,868,833
Trade and other receivables	7	838,936	762,074
Other financial assets	9	741	741
Other current assets	8	22,712	8,582
<b>Total Current Assets</b>		5,713,876	5,640,230
<b>Non-current Assets</b>			
Property, plant and equipment	10	1,152,977	1,060,050
Intangible assets	11	1,554,196	1,754,396
Deferred tax assets	12	144,784	121,282
<b>Total Non-current Assets</b>		2,851,957	2,935,728
<b>TOTAL ASSETS</b>		8,565,833	8,575,958
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	276,936	294,091
Current tax liabilities	12	187,251	173,705
Provisions	14	259,115	206,342
<b>Total Current liabilities</b>		723,302	674,138
<b>Non-current liabilities</b>			
Provisions	14	23,536	15,419
Deferred tax liabilities	12	4,827	5,640
<b>Total Non-current liabilities</b>		28,363	21,059
<b>TOTAL LIABILITIES</b>		751,665	695,197
<b>NET ASSETS</b>		7,814,168	7,880,761
<b>EQUITY</b>			
Issued Capital	15	7,077,155	6,994,334
Retained earnings		737,013	886,427
<b>TOTAL EQUITY</b>		7,814,168	7,880,761

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

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITY**  
**ABN 14 127 175 946**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Issued Capital	Retained Earnings	Employee Rights Reserve	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2013</b>	6,892,845	959,915	89,274	7,942,034
Total comprehensive income for the year	-	1,565,934	-	1,565,934
<b>Transactions with Owners</b>				
Shares issued during the year	101,489	-	(101,489)	-
Increase on issue of Employee Rights	-	-	12,215	12,215
<b>Subtotal</b>	6,994,334	2,525,849	-	9,520,183
Dividends paid	-	(1,639,422)	-	(1,639,422)
<b>Balance at 30 June 2014</b>	6,994,334	886,427	-	7,880,761
<b>Balance at 1 July 2014</b>	6,994,334	886,427	-	7,880,761
Total comprehensive income for the year	-	1,493,422	-	1,493,422
<b>Transactions with Owners</b>				
Shares issued during the year	82,821	-	-	82,821
<b>Subtotal</b>	7,077,155	2,379,849	-	9,457,004
Dividends paid	-	(1,642,836)	-	(1,642,836)
<b>Balance at 30 June 2015</b>	7,077,155	737,013	-	7,814,168

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		5,586,166	5,657,215
Payment to suppliers and employees		(3,120,581)	(3,192,717)
Interest received		143,032	156,669
Income tax paid		(782,306)	(801,113)
<b>Net cash flows provided by operating activities</b>	16	1,826,311	1,820,054
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(203,082)	(118,093)
<b>Net cash flows used in investing activities</b>		(203,082)	(118,093)
<b>Cash flows from financing activities</b>			
Dividends paid		(1,640,575)	(1,635,560)
<b>Net cash flows used in financing activities</b>		(1,640,575)	(1,635,560)
<b>Net decrease in cash and cash equivalents</b>		(17,346)	66,401
<b>Cash and cash equivalents at the beginning of the year</b>		4,868,833	4,802,432
<b>Cash and cash equivalents at the end of the year</b>	6	4,851,487	4,868,833

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Summary of Significant Accounting Policies**

This financial report includes the financial statements and notes of Advanced Share Registry Limited and its Controlled Entity (the Group).

**Basis of Preparation**

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Advanced Share Registry Limited is a for-profit entity for the purpose of preparing the financial statements.

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian Dollars, which is the parent entity's functional currency.

**a. Income Tax**

The income tax expense for the year comprises current income tax expense and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting period. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movement in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are recognised outside profit and loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**b. Property, Plant and Equipment**

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

Freehold land and buildings and plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land and leasehold improvements, is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements and website costs are depreciated on a straight line basis over the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Leasehold improvements	4-5%
Plant and Equipment	10-66%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**c. Leases**

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

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

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

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

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

**d. Financial Instruments**

**Initial recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as “at fair value through profit or loss”. Transaction costs related to instruments classified as “at fair value through profit or loss” are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair* value represents the amount for which an asset could be sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective* interest method; and
- d. less any reduction for impairment.

The *effective* interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with any re measurements other than impairment losses and foreign exchange gains and losses recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss pertaining to that asset previously recognized in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

### **Fair values**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference similar to instruments and option pricing models.

### **Impairment**

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Financial guarantees**

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

**De-recognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets of liabilities assumed, is recognised in profit or loss.

**e. Impairment of Non- Financial Assets**

At each reporting date, the Group reviews the carrying values of its non-financial tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**f. Intangibles**

**Goodwill**

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. After considering the ongoing business operations and anticipated business growth of the Group, it has been determined that the goodwill acquired and currently recorded has an indefinite life.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Goodwill, having been assessed with an indefinite life, is tested for impairment annually and is allocated to the Group's cash generating units which represent the lowest level at which goodwill is monitored, but where such level is not larger than an operating segment. The Group has determined that goodwill has not been impaired during the current year.

**Client List**

The client list was acquired at independent valuation as part of the acquisition of the share registry business. The valuation was based upon the expected future earnings of the client contracts already in existence at the time of the transfer of the business. The effective life of the client list has been determined to be 10 years, and will be amortised over that period. The remaining effective life is 3.5 years. Annual testing for impairment will also be carried out to determine whether the carrying value reflects the value remaining in the client list. Where it is determined that the carrying value has been impaired, an impairment adjustment will be made. The client list is therefore carried at cost less accumulated amortisation and accumulated impairment losses.

**g. Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

**Equity-settled compensation**

The Group operates an employee incentive plan that provides employees with performance rights that may be converted to shares at a future date. The performance rights are considered to be share-based payments. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the employee rights reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

**h. Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**i. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**j. Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable. The range of services provided by the Group are generally provided on an ongoing basis, and therefore revenue is recognised on a regular periodic basis for the work performed.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**k. Goods and Services Tax (GST)**

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

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

**l. Business Combinations**

The Group applies the acquisition method in accounting for business combinations.

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

**m. Comparative Information**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

**n. Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

*(i) Impairment – general*

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

*Key Estimates – Impairment of Goodwill and Intangibles with Indefinite Useful Lives*

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units, using a value in use discounted cash flow methodology, to which the goodwill and intangibles with indefinite useful lives are allocated. No impairment has been recognised in respect of goodwill for the year ended 30 June 2015. The assumptions used in the estimation of recoverable amount are disclosed in Note 11.

*Key Estimates – Impairment of Non-Financial Assets other than Goodwill and Indefinite life intangibles*

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. If an impairment trigger exists, the recoverable amount of the asset is determined. Management do not consider that the triggers for impairment testing have been significant enough and as such, these assets have not been tested for impairment in this financial period.

*Key judgments – Provision for Impairment of Receivables*

Included in trade receivables at reporting date are minor amounts receivable from services provided to clients amounting to \$110,747. These clients have had their trade terms extended past the Group's usual trade terms in order to assist in the clients' cash flow. The Directors understand that for most of these clients, the full amount of the debt is likely to be recoverable. However a client presently owing

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

\$76,370 to the Group is now subject to a Deed of Company Arrangement has been identified and recovery is likely to be reduced significantly. A provision for impairment has been made for this client and the other clients for which the extended terms have been arranged.

**o. Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Advanced Share Registry Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 28.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

**New and Revised Accounting Standards that are effective for these financial statements**

A number of new and amended accounting standards are effective for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. Information on these new standards which are relevant to the Group is presented below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

**AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities**

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014 and has been adopted in this financial report. The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

**AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets**

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB’s original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments in this financial report has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

**AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)**

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*.

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2010-2012 Cycle*:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140 *Investment Property* and perform a separate assessment under AASB 3 *Business Combinations* to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014. The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

**New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting period, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the group but applicable in future reporting periods is set out below:

**AASB 9 *Financial Instruments***

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

*The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.*

**AASB 14 *Regulatory Deferral Accounts***

AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP. Accordingly, an entity that



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

applies AASB 14 may continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of its regulatory deferral account balances. This exemption is not available to entities who already apply Australian Accounting Standards.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

*When AASB 14 becomes effective for the first time for the year ending 30 June 2017, it will not have any impact on the entity.*

### **AASB 15 Revenue from Contracts with Customers**

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (eg multiple element arrangements, variable pricing, rights of return and warranties); and
- Expands and improves disclosures about revenue.

*The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.*

### **AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations**

This amendment impacts on the use of AASB 11 when acquiring an interest in a joint operation.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.*

### **AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

guidance in the application of the diminishing balance method for property, plant and equipment.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.*

**AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements**

The amendments introduce the equity method of accounting as one of the options to account for an entity’s investments in subsidiaries, joint ventures and associates in the entity’s separate financial statements.

The effective date is for annual reporting periods beginning on or after 1 January 2016. *When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.*

**AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address a current inconsistency between AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 *Business Combinations*. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors’ interests is recognised when the assets or subsidiary do not constitute a business. The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

<b>Note 2: Revenue</b>	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Revenue</b>		
Registry fees	4,170,303	4,223,243
Client disbursements recovered	987,186	949,840
Total Revenue	5,157,489	5,173,083
<b>Other income</b>		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Interest received	140,325	153,234
Other income	2,177	31,171
	142,502	184,405

	2015	2014
	\$	\$
<b>Note 3: Profit</b>		
<b>Expenses</b>		
Depreciation of non-current assets	110,159	77,418
Amortisation of non-current assets, client list	200,200	200,200
Professional fees	21,736	21,364
Occupancy expenses	256,650	217,971
Directors' fees	87,000	92,500
Salaries and wages	1,100,446	1,184,795
Superannuation	117,324	113,312
Postage, printing and stationery	779,295	835,814
Share-based payments	82,821	12,215
Other expenses	279,400	266,502
	3,035,031	3,022,091

**Note 4: Income tax**

a. The components of tax expense comprise:

Current tax	795,852	794,728
Deferred tax	(24,314)	(25,265)
	771,538	769,463

b. Numerical reconciliation between aggregate tax expense recognised in the statement of profit or loss and other comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

Total accounting profit before income tax at the Group's		
Statutory income tax rate of 30% (2014:30%)	679,514	700,619
Non-deductible amortisation	60,060	60,060
Other non-allowable items	751	553
Share based payments	24,847	3,665
Deductible amount for share issue	-	(1,800)

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Non-deductible building depreciation	6,366	6,366
Aggregate income tax expense	771,538	769,463
The applicable weighted average effective tax rate is:	34.06%	32.94%

**Note 5: Auditor's Remuneration**

	\$	\$
Remuneration of the auditor of the Group for:		
- audit of the financial report	19,762	19,569
- audit of Share Registry Function for ASX requirements.	1,974	1,795
	<u>21,736</u>	<u>21,364</u>

	<b>2015</b>	<b>2014</b>
<b>Note 6 : Cash and cash equivalents</b>	<b>\$</b>	<b>\$</b>

**Current**

Cash at Bank and on hand	1,351,487	1,804,833
Cash on deposit	3,500,000	3,064,000
	<u>4,851,487</u>	<u>4,868,833</u>

The effective interest rate on short-term bank deposits was 2.94%; these deposits have a maturity of 180 days. (2014: 3.74%)

In the prior years under an arrangement with one of the Group's major suppliers, the Group had arranged with their bank for a guarantee facility to be held over a cash deposit in the amount of \$64,000. The supplier in the current period has advised the Group that they not require any such guarantee and therefore this facility has since been withdrawn in the current period.

	<b>2015</b>	<b>2014</b>
<b>Note 7: Trade and other receivables</b>	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade receivables	893,090	810,405
Provision for impairment	(110,747)	(106,597)
	<u>782,343</u>	<u>703,808</u>
Other receivables	56,593	58,266
	<u>838,936</u>	<u>762,074</u>

**a. Provision For Impairment of Receivables**

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Movement in the provision for impairment of receivables is as follows:

	Current trade receivables \$	Totals \$
<b>Opening Balance as at 1 July 2013</b>	45,175	45,175
Charge for the year	73,268	73,268
Amounts written off	(11,846)	(11,846)
<b>Closing Balance as at 30 June 2014</b>	106,597	106,597
<b>Opening Balance as at 1 July 2014</b>	106,597	106,597
Charge for the year	11,994	11,994
Amounts written off	(7,844)	(7,844)
<b>Closing Balance as at 30 June 2015</b>	110,747	110,747

**Credit Risk – Trade and Other Receivables**

The Group has no significant concentration of credit risk with respect to any single counter party or Group of counter parties other than those receivables specifically provided for and mentioned within Note 7. The class of assets described as ‘Trade and other receivables’ is considered to be the main source of credit risk related to the Group. On a geographical basis the Group has no credit risk exposure.

The following table details the Group’s trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as ‘past due’ when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31- 60	61 – 90	> 90	
<b>2015</b>							
Trade and term	\$893,090	\$110,747	-	\$65,262	\$7,474	\$27,891	\$681,716

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

receivables

Other receivables	\$56,593	-	-	-	-	-	\$56,593
<b>Total</b>	<b>\$949,683</b>	<b>\$110,747</b>	<b>-</b>	<b>\$65,262</b>	<b>\$7,474</b>	<b>\$27,891</b>	<b>\$738,309</b>

**Past Due but Not Impaired  
(Days Overdue)**

	<b>Gross Amount</b>	<b>Past Due and Impaired</b>	<b>&lt; 30</b>	<b>31- 60</b>	<b>61 – 90</b>	<b>&gt; 90</b>	<b>Within Initial Trade Terms</b>
<b>2014</b>							
Trade and term receivables	\$810,405	\$106,597	-	\$78,213	\$34,820	\$4,041	\$586,734
Other receivables	\$58,266	-	-	-	-	-	\$58,266
<b>Total</b>	<b>\$868,671</b>	<b>\$106,597</b>	<b>-</b>	<b>\$78,213</b>	<b>\$34,820</b>	<b>\$4,041</b>	<b>\$645,000</b>

**Note 8: Other assets**

**Notes**

**2015  
\$**

**2014  
\$**

**Current**

Prepayments

22,712

8,582

**Note 9: Other Financial Assets**

**Current**

Financial assets at fair value through profit or loss

9 (a)

741

741

741

741

- **Financial assets at fair value through profit or loss:**

Held-for-trading Australian listed shares

741

741

- (a) Shares held for trading are traded for the purpose of short-term profit taking. Changes in fair value are included in the statement of profit or loss and other comprehensive income

**Note 10: Property, Plant and Equipment**

Buildings – at cost

848,827

848,827



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Accumulated depreciation	(96,512)	(75,291)
	752,315	773,536
Leasehold improvements – at cost	56,266	56,266
Accumulated depreciation	(12,644)	(11,873)
	43,622	44,393
Plant and equipment – at cost	856,876	610,559
Accumulated depreciation	(499,836)	(368,438)
	357,040	242,121
Total property, plant and equipment	1,152,977	1,060,050

**a. Movements in Carrying Amounts**

Movement in the carrying amounts of each class of property plant and equipment between the beginning and the end of the current financial year.

	Buildings	Leasehold Improvements	Plant & Equipment	Total
Balance at 1 July 2013	\$794,757	\$67,369	\$157,249	\$1,019,375
Additions	-	-	\$139,356	\$139,356
Disposals	-	(\$21,263)	-	(\$21,263)
Depreciation Expense	(\$21,221)	(\$1,713)	(\$54,484)	(\$77,418)
<b>Balance at 30 June 2014</b>	<b>\$773,536</b>	<b>\$44,393</b>	<b>\$242,121</b>	<b>\$1,060,050</b>
Additions	-	-	\$203,086	\$203,086
Depreciation Expense	(\$21,221)	(\$770)	(\$88,168)	(\$110,159)
<b>Balance at 30 June 2015</b>	<b>\$752,315</b>	<b>\$43,623</b>	<b>\$357,039</b>	<b>\$1,152,977</b>

**Note 11: Intangible Assets**

	2015 \$	2014 \$
Goodwill – at cost	1,053,690	1,053,690
Net carrying amount	1,053,690	1,053,690
Client book acquired – at cost	2,002,010	2,002,010
Accumulated amortisation	(1,501,504)	(1,301,304)
Net carrying amount	500,506	700,706
Total intangibles	1,554,196	1,754,396

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

The client book acquired is amortised over its effective life, determined to be 10 years. The remaining amortisation period is 2.5 years. (Refer Note 1 f)

**a. Movements in Carrying Amounts**

Movement in the carrying amounts of each class of intangible asset between the beginning and the end of the current financial year.

	Goodwill		Client Book Acquired		Total	
	2015	2014	2015	2014	2015	2014
Opening balance	\$1,053,690	\$1,053,690	\$700,706	\$900,906	\$1,754,396	\$1,954,596
Amortisation expense	-	-	(\$200,200)	(\$200,200)	(\$200,200)	(\$200,200)
Balance at 30 June	\$1,053,690	\$1,053,690	\$500,506	\$700,706	\$1,554,196	\$1,754,396

**Impairment Disclosures**

Goodwill is allocated to cash generating units which are based on the Group's reporting segments:  
 Share registry \$1,053,690

The recoverable amount of each cash generating unit above has been determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period. The cash flows are discounted by using a risk-free available interest rate, adjusted for an estimated risk premium, at the beginning of the budget period. A terminal value is not included in the value in use calculation.

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

	<b>Growth Rate</b>	<b>Discount Rate</b>
Share registry	3%	8.58%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use an estimated growth rate to project revenue. The rate is determined by the Directors to be reasonable based on the present and anticipated market conditions applicable to the business. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the periods which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

**Group**

**Consolidated**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

<b>Note 12: Tax</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Income tax payable	187,251	173,705

**Non- Current**

	<b>Opening Balance</b>	<b>Charged to Income</b>	<b>Charged Directly to Equity</b>	<b>Closing Balance</b>
<b>Deferred Tax Liability</b>				
Accrued Income	\$6,671	(\$1,031)	-	\$5,640
<b>Balance at 30 June 2014</b>	\$6,671	(\$1,031)	-	\$5,640
Accrued Income	\$5,640	(\$813)	-	\$4,827
<b>Balance at 30 June 2015</b>	\$5,640	(\$813)	-	\$4,827
<b>Deferred Tax Assets</b>				
Provisions and Accrued Expenses	\$97,046	\$24,236	-	\$121,282
<b>Balance at 30 June 2014</b>	\$97,046	\$24,236	-	\$121,282
Provisions and Accrued Expenses	\$121,282	\$23,502	-	\$144,784
<b>Balance at 30 June 2015</b>	\$121,282	\$23,502	-	\$144,784

	<b>Statement of financial position</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Deferred income tax at 30 June relates to the following:		
<i>i) Deferred tax liabilities</i>		
Accrued income	4,827	5,640
Net deferred tax liabilities	4,827	5,640
<i>ii) Deferred tax assets</i>		
Superannuation liability	10,409	8,855
Accruals	22,145	19,030
Provisions:		
Doubtful debts	33,224	31,980
Long service leave	29,517	19,337
Annual leave	49,489	42,080
Net deferred tax assets	144,784	121,282

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

The Group does not have any deductible temporary differences, unused tax losses or unused tax credits for which a deferred tax asset has not been recognised.

<b>Note 13: Trade and other payables</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>

**Current**

Trade creditors and accruals	276,936	294,091
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The carrying amount of creditors and accruals has been considered and approximates fair value

<b>Note 14: Provisions</b>	<b>Employee Benefits</b>	<b>Provision for Dividend</b>	<b>Total</b>
Opening balance at 1 July 2014	\$204,725	\$17,036	\$221,761
Additional provisions	\$58,624	\$2,266	\$60,890
Balance at 30 June 2015	\$263,349	\$19,302	\$282,651

**Analysis of total provisions**

<b>Current liabilities – provisions</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Annual leave	164,962	140,268
Provision for dividend	19,302	17,036
Long service leave	74,851	49,038
	259,115	206,342

**Non-current liabilities - provisions**

Long service leave	23,536	15,419
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**Note 15: Issued Capital**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
42,746,500 (2014 : 42,616,500) fully paid ordinary shares)	7,077,155	6,994,334

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	<b>No.</b>	<b>No.</b>
<b>a. Ordinary Shares</b>		
At the beginning of the reporting period	42,616,500	42,468,000
Shares issued during the year on conversion of performance rights:		
- 12 July 2013	-	83,000
- 24 January 2014	-	65,500
- 12 November 2014	105,000	-
- 30 April 2015	25,000	-
At reporting date	42,746,500	42,616,500

Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

**b. Capital Management**

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide shareholders with adequate returns and ensure the Group can fund its operations and continue as a going concern.

At reporting date, the Group held no debt. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since listing on 10 June 2008.

<b>Note 16: Cash flow information</b>	<b>Notes</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>			
Profit after income tax		1,493,422	1,565,934
Non cash flows in profit:			

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Amortisation		200,200	200,200
Depreciation		110,159	77,418
		1,803,781	1,843,552
Changes in equity as a result of adjustments in reserves		82,821	12,215
Changes in assets and liabilities:			
(Increase)/decrease in trade and term receivables		(76,862)	16,195
(Increase)/decrease in prepayments		(14,130)	4,896
Increase/(decrease) in trade payables and accrual		(17,155)	(17,335)
Increase/(decrease) in income taxes payable		13,546	(6,383)
Increase/(decrease) in deferred taxes payable		(24,314)	(25,267)
Increase/(decrease) in provisions		58,624	(7,819)
		1,826,311	1,820,054
Non -cash financing and investing activities			
Share-based payments	17	82,821	12,215

**Note 17: Share-based Payments**

i) Shares granted to key management personnel as share-based payments:

At the 2014 Annual General Meeting held on 12 November 2014, shareholders approved the issue of shares to all the directors within their fee pool. Accordingly 105,000 fully paid ordinary shares were issued on 12 November 2014.

<b>Grant Date</b>	<b>Number</b>
12 November 2014	105,000

The weighted average fair value of these ordinary shares, determined by reference to market price, was \$66,675. These shares were issued in recognition of the then 7 years continued service to the company given duties and responsibilities had increased whilst remuneration paid had decreased.

ii) Employee Performance Rights granted to eligible employees:

Under the Group's Employee Performance Rights and Share Plan ("the Plan"), eligible employees are offered Performance Rights which contain performance and other conditions



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

that must be met by employees to qualify for the possible issue of shares on the vesting of those Performance Rights. Employees who satisfy the conditions for vesting the Performance Rights may apply to convert those rights to Shares of the Group. The Performance Rights are personal to the employee, are not able to be transferred, and do not confer any right or entitlement in relation to dividends or other entitlements that would normally be conferred on shareholders.

Grant Date	Number	Vesting Date
1 March 2013	25,000	1 March 2015

On 1 March 2013, the Group granted performance rights to eligible employees as noted in the table above. The performance rights vest to the employees on the dates indicated at which time the employee can apply to convert the rights to ordinary shares for nil consideration. The performance rights hold no voting or dividend rights and are not transferable. No performance rights were granted to key management personnel.

Performance rights are forfeited on termination of employment with the Group, unless the Board determines otherwise (this is usually only in the case of retirement, redundancy, death or disablement).

A summary of the movements of all Group performance rights issued is as follows:

	Number	Weighted Average Exercise Price
<b>Performance rights outstanding as at 01 July 2013</b>		
	175,000	\$0
Granted	-	\$0
Forfeited	(1,500)	\$0
Exercised	(148,500)	-
Expired	-	-
<b>Performance rights outstanding as at 30 June 2014</b>		
	25,000	\$0
Granted	-	-
Forfeited	-	-
Exercised	(25,000)	\$0
Expired	-	-
<b>Performance rights outstanding as at 30 June 2015</b>		
	-	-

The performance rights are issued with a strike price of nil.

The exercise price of outstanding rights at the end of the reporting period was nil.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

The fair value of the rights granted to employees is deemed to represent the value of the employee services received over the vesting period.

Weighted average exercise price: Nil

Weighted average life of the rights: 2 years

Expected share price volatility: Nil

Risk-free interest rate: 4.25 %

As employees do not contribute to the cost of the share movement, volatility of the share price has been ignored. The life of the rights is based on the historical exercise patterns, which may not eventuate in the future.

Included in the statement of profit or loss and other comprehensive income is \$82,821 which relates to equity-settled share-based payment transactions (2014: \$12,215).

**Note 18: Events after the Reporting Period**

**a. Proposed dividend**

The Directors proposed that a dividend of 1.70 cents per share fully franked be paid out of the current year earnings. This dividend was declared on 12 August 2015 and paid on 20 August 2015.

**b. Return of Capital**

A Return of Capital of 2.44 cents per share was proposed on 16 July 2015 and, following the shareholder meeting held on 13 August 2015 approving the proposed return, paid on 20 August 2015. This payment was made from the capital reserves which have not been touched for the operation of the business since listing in 2008.

Other than matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**Note 19: Capital and leasing commitments**

**Non-cancellable operating lease commitments**

Future operating lease rentals not provided for in the financial statements and payable:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
- not later than 12 months	\$159,083	\$154,450
- between 12 months and 5 years	\$121,977	\$284,218
- later than 5 years	-	-
	<b>\$281,060</b>	<b>\$438,668</b>

The property lease is a non-cancellable lease with a 3 year term with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by CPI % per annum. The lease is currently extended until 31 March 2017.

**Note 20: Contingent Liabilities**

The Group has no known or identifiable contingent liabilities.

**Note 21: Financial Risk Management**

**Financial Instruments**

**Categories of Financial Instruments**

	<b>2015</b>	<b>2014</b>
<b>Financial assets</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	4,851,487	4,868,833
Loans and receivables	838,936	762,074
<i>Financial assets at fair value through profit or loss</i>		
Investments – held-for-trading	741	741
<b>Total financial assets</b>	<b>5,691,164</b>	<b>5,631,648</b>
<b>Financial liabilities</b>		
Payable and borrowings	276,936	294,091
<b>Total financial liabilities</b>	<b>276,936</b>	<b>294,091</b>

**a. General objectives, policies and processes**

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The principal financial instruments from which financial instrument risk arises:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

- |                            |                |                    |
|----------------------------|----------------|--------------------|
| - trade receivables        | - cash at bank | - investments      |
| - trade and other payables | - deposits     | - loans receivable |

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the result of the Group where such impacts may be material.

**b. Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of the contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counter parties), ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the board has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counter party, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

*Credit risk exposures*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There is no material amounts of collateral held as security at 30 June 2015.

The maximum exposure to credit risk at balance date is as follows:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
Trade debtors	\$782,343	\$703,808
<b>c. Liquidity risk</b>		

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, eg. Borrowing repayments. It is the policy of the Board of Directors that treasury maintains adequate committed credit facilities.

*Financial liability and financial asset maturity analysis*

	<b>Within 1 Year</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Financial liabilities due for payment</b>				
Trade and other payables	\$276,936	\$294,091	\$276,936	\$294,091
Total expected outflows	\$276,936	\$294,091	\$276,936	\$294,091
<b>Financial assets – cash flows realisable</b>				
Cash and cash equivalents	\$4,851,487	\$4,868,833	\$4,851,487	\$4,868,833
Trade, term and loans receivables	\$838,936	\$762,074	\$838,936	\$762,074
Held-for-trading investments	\$741	\$741	\$741	\$741
Total anticipated inflows	\$5,691,164	\$5,631,648	\$5,691,164	\$5,631,648
<b>Net / inflow on financial instruments</b>	\$5,414,228	\$5,337,557	\$5,414,228	\$5,337,557

**Financial arrangements**

Nil at balance date.

**d. Market risk**

*Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Group has significant interest bearing assets, and the entity's main interest rate risk is that it may suffer loss of income should interest rates decline.

The Group has no significant borrowings which may give rise to interest rate risks.

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITY**  
**ABN 14 127 175 946**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

<b>Maturity of notional amounts:</b>	<b>Effective Average Fixed Interest Rate Payable</b>		<b>Notional Principal</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Less than 1 year	2.14%	2.74%	\$5,653,408	\$5,705,584
	2.14%	2.74%	\$5,653,408	\$5,705,584

Trade and sundry payables are expected to be paid in full in less than six months.

**Fair Values**

The fair values of:

- Term receivables, government and fixed interest securities and bonds are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value
- Other assets and other liabilities approximate their carrying value

Other than investments of listed shares, there are no financial assets and financial liabilities readily traded on organised markets in standardised form.

Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date:

<b>Value</b>	<b>Carrying Amount</b>		<b>Fair</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Financial Assets:</b>				
Cash and cash equivalents	\$4,851,487	\$4,868,833	\$4,851,487	\$4,868,833
Receivables	\$838,936	\$762,074	\$838,936	\$762,074
Investments – held-for-trading	\$741	\$741	\$741	\$741
<b>Total Financial Assets</b>	<b>\$5,691,164</b>	<b>\$5,631,648</b>	<b>\$5,691,164</b>	<b>\$5,631,648</b>
<b>Financial Liabilities:</b>				
Trade and sundry payables	\$276,936	\$294,091	\$276,936	\$294,091
<b>Total Financial Liabilities</b>	<b>\$276,936</b>	<b>\$294,091</b>	<b>\$276,936</b>	<b>\$294,091</b>

*Financial Instruments Measured at Fair Value*

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

**2015**

<b>Financial assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss:				
- Investments-held-for-trading	\$741	-	-	\$741

**2014**

<b>Financial assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss:				
- Investments-held-for-trading	\$741	-	-	\$741

*Sensitivity Analysis*

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

*Interest Rate Risk*

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Change in profit		
- Increase in interest rate by 1%	35,000	48,700
- Decrease in interest rate by 1%	(35,000)	(48,700)
Change in equity		
- Increase in interest rate by 1%	35,000	48,700
- Decrease in interest rate by 1%	(35,000)	(48,700)

**Note 22: Related Party Disclosures**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**Executive Services Agreements**

**- Kim Chong**

The Group entered into a services agreement with Mr Kim Chong for a period of three years effective from 11 May 2011.

Under the Services Agreement, Mr Chong is engaged by the Group to provide services to the Group in the capacity of Managing Director and Chief Executive Officer.

Mr Chong is to be paid an annual remuneration of \$215,699 inclusive of statutory superannuation. Mr Chong will also be reimbursed for reasonable expenses incurred in carrying out his duties. There was \$403 to be reimbursed to Mr Chong as at 30 June 2015.

It was resolved by a circular resolution that the Services Agreement is to be renewed for a further three years on the same terms and conditions including any variations made as to duties and salary quantum.

Mr Chong is the major Shareholder through indirect interests and a Director of the Group.

**Commercial Services Agreement**

**- Winduss & Associates Pty Ltd**

The Group receives accounting and secretarial services from Winduss & Associates Pty Ltd, an accounting practice of which Mr Winduss is a director and shareholder. Fees charged are at normal commercial rates and conditions. Fees charged to 30 June 2015 for accounting and secretarial services, was \$57,409 including GST (2014:\$57,200).The amount owing to Winduss & Associates Pty Ltd at 30 June 2015 is \$4,766 (2014: \$4,766).

**Tenancy Agreement**

**- Cherry Field Pty Ltd**

The Group required an additional area to assist in operations during the period. On 1 April 2014, the Group entered into a lease agreement with Cherry Field Pty Ltd, a Company owned and controlled by an associate of Mr Chong. The agreement has been concluded on a commercial monthly tenancy basis. The Group has incurred \$170,316 including GST for the year ended 30 June 2015 (2014: \$25,550).

	<b>2015</b>	<b>2014</b>
<b>Note 23: Earnings per share</b>	<b>\$</b>	<b>\$</b>
<b>Earnings used in the calculation of EPS</b>		
Profit	1,493,422	1,565,934

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Earnings per share**

Basic earnings per share	3.50c	3.68c
Diluted earnings per share	3.50c	3.68c

	<b>2015</b>	<b>2014</b>
	<b>No</b>	<b>No</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	42,686,842	42,580,752
Weighted average number of dilutive rights outstanding	-	-
Weighted average number of ordinary shares used - in calculating diluted EPS	<b>42,686,842</b>	<b>42,580,752</b>

**Note 24: Operating Segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed on the basis that it provides share registrar services operating in the geographical region of Australia. The provision of share registry services is considered to be one business segment.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue by geographical region</b>		
Australia	\$5,299,991	\$5,357,488
<b>Assets by geographical region</b>		
Australia	\$8,565,833	\$8,575,958

**Major customers**

The Group has a number of customers to whom it provides services. Although the Group has no single external customer that accounts for more than 10% of its income, a group of 9 customers, each exceeding 2% of the Group's income, accounts for approximately 27%

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITY**  
**ABN 14 127 175 946**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

(2014: 6 customers each exceeding 2% of the Group's income accounted for 23%) of the Group's income.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 25: Dividends</b>		
Distributions paid		
Final fully franked dividend of 1.85 cents (2014: 2 cents) per share franked at the tax rate of 30% (2014: 30%)	788,405	851,020
Interim dividend fully franked of 2 cents (2014: 1.85 cents) per share franked at the tax rate of 30% (2014: 30%)	854,430	788,405
	1,642,835	1,639,425
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
a. Final 2015 fully franked dividend of 1.70 cents declared subsequent to 30 June 2015 (2014: 1.85 cents per share franked at the tax rate of 30% (2014: 30%))	726,691	788,405
b. Balance of franking account at year end adjusted for franking credits arising from:		
- Payment of provision for income tax	1,164,672	1,072,892
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	(311,438)	(337,888)

**Note 26: Interests of Key Management Personnel (KMP)**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2015.

The totals of remuneration paid to KMP of the Group during the year are as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	300,143	365,423

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Post-employment benefits	29,780	29,780
Long -term benefits	4,293	436
Equity- settled Share-based Payments	66,675	-
	400,891	395,639

**Note 27: Reserves**

- Employee Performance Rights Reserve  
The employee performance rights reserve records items recognised as expenses on valuation of employee performance rights.

**Note 28: Interest in Subsidiaries**

On 18 September 2013, Advanced Share Registry Ltd incorporated a wholly owned subsidiary. The subsidiary Advanced Custodial Services Pty has not yet commenced trading. The new company is intended to provide additional complementary services to the clients of Advanced Share Registry.

Set out below is the Group's subsidiary at 30 June 2015. The subsidiary listed below has share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-Controlling Interests	
		30.06.2015	30.06.2014	30.06.2015	30.06.2014
Advanced Custodial Services Pty Ltd	Perth, Australia	100%	100%	-	-
Consideration Paid	-	\$100	\$100	-	-

**Note 29: Parent Information**

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2015	2014
Statement of Financial Position	\$	\$
<b>ASSETS</b>		
Current Assets	5,715,604	5,641,715
Non-current Assets	2,851,957	2,935,728
<b>TOTAL ASSETS</b>	<b>8,567,561</b>	<b>8,577,443</b>

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITY**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

<b>LIABILITIES</b>		
Current Liabilities	723,302	674,138
Non-current liabilities	28,363	21,059
<b>TOTAL LIABILITIES</b>	<b>751,665</b>	<b>695,197</b>
 <b>EQUITY</b>		
Issued Capital	7,077,155	6,994,334
Retained earnings	738,741	887,912
<b>TOTAL EQUITY</b>	<b>7,815,896</b>	<b>7,882,246</b>

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Total profit	1,493,665	1,567,419
Total other comprehensive income, net of tax	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>1,493,665</b>	<b>1,567,419</b>

**Guarantees**

The Company has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

**Contingent liabilities**

The Company has no known or identifiable contingent liabilities.

**Contractual commitments**

Details of contractual commitments are set in Note 19.

At 30 June 2015, the Company had not entered into any contractual commitments for the acquisition of property, plant and equipment (2014: Nil).



DIRECTORS DECLARATION

1. In the opinion of the Directors of Advanced Share Registry Limited (the 'Group'):
  - (a) the financial statements and notes set out on pages 18 to 60 and the Remuneration disclosures that are contained in pages 13, 14 and 15 of the Remuneration Report in the Director's Report, are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance, for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
    - (iii) complying with International Financial Reporting Standards as disclosed in Note 1; and
  - (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors.



.....  
Simon Cato  
Chairman of Directors

Signed at Perth on 17 September 2015

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**Independent Auditor's Report  
To the Members of Advanced Share Registry Limited**

**Report on the financial report**

We have audited the accompanying financial report of Advanced Share Registry Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

**Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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.

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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.

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.

### **Auditor's opinion**

In our opinion:

- a the financial report of Advanced Share Registry Limited is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

### **Report on the remuneration report**

We have audited the remuneration report included in pages 13 to 15 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

**Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of Advanced Share Registry Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



P W Warr  
Partner – Audit & Assurance

Perth, 17 September 2015

**SHAREHOLDER INFORMATION**  
**(Current as at 14 September, 2015)**

**A. Substantial Shareholders**

Name	Number of Shares	Percentage of Issued Capital
KMC Automation Pty Ltd	23,891,044	55.89
Washington H Soul Pattinson and Company Ltd	4,494,726	10.51
Link Market Services Ltd	4,153,627	9.72

**B. Distribution of Fully Paid Ordinary Shares**

i) Distribution Schedule of Holdings	Holders	Number of Shares	Percentage of Issued Capital
1-1,000	48	23,645	0.06%
1,001-5,000	125	453,445	1.06%
5,001-10,000	76	691,464	1.62%
10,001-100,000	160	5,007,277	11.71%
100,001 and over	25	36,570,669	85.55%
Total number of holders	434	42,746,500	100%
<b>ii) Holding less than a marketable parcel</b>			
	30		

C. Twenty Largest Shareholders	Number of Shares	Percentage of Issued Capital
1 KMC Automation Pty Ltd	23,891,044	55.89
2 Washington H Soul Pattinson and Company Ltd	4,494,726	10.51
3 Pacific Custodians Pty Ltd	3,508,577	8.21
4 The Australian Superannuation Group (WA) Pty Ltd	645,050	1.51
5 J M Molyneux & W A Hutchison & J E Hutchison<Hutchison Family Super A/C>	410,560	0.96
6 S K Cato	375,000	0.87
7 J Davidson & E Davidson	345,943	0.81
8 Ostle Investments Pty Ltd, <Tan Family Super Fund A/C>	305,000	0.72
9 Alberta Resources Pty Ltd<British Columbia Superannuation Fund A/C>	250,000	0.58
10 Richard Alexander Isles	250,000	0.58
11 Yonatan Widjaya & Mela Widjaya	230,000	0.54
12 A C Winduss	215,000	0.50
13 WJK Investments Pty Ltd<WJK Superannuation Fund A/C>	202,182	0.47
14 Morse's Run Pty Ltd<The Number 69 Prov Fund A/C>	185,000	0.43
15 Synchronised Software Pty Ltd	177,500	0.42
16 R G Morris & M J Morris<Blythewood Super Fund>	150,000	0.35
17 Edward James Dally & Selina Dally< E J Dally SF >	140,000	0.32
18 Rosemont Asset Pty Ltd	125,000	0.29
19 Batten Resources Pty Ltd<Batten Super Fund>	125,000	0.29
20 J D Mckay & C L Brittain <The John Mckay Super Fund>	125,000	0.29

**D. Restricted Securities**

There were no securities under escrow at 30 June 2015 or 30 June 2014.

**E. Voting Rights – Ordinary Shares** On a show of hands, every member, present in person or by proxy, shall have one vote and upon a poll every member, present in person or by proxy, shall have one vote for each share.



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