

**ADVANCED SHARE REGISTRY LIMITED**  
**ABN 14 127 175 946**

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**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

**Registered Office**

Level 1  
252 Cambridge Streets  
Wembley WA 6014  
Telephone: +61 8 9381 9266  
Facsimile: +61 8 9381 9711  
Email: a.winduss@advancedshare.com.au

**Company Secretary**

A C Winduss

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

**Corporate Office**

Unit 2  
150 Stirling Highway  
Nedlands WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9389 7871  
Website: www.advancedshare.com.au  
Email: Admin@advancedshare.com.au

**Share Registry**

Advanced Share Registry Services  
Unit 2  
150 Stirling Highway  
Nedlands WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9389 7871  
Website: www.advancedshare.com.au  
Email: Admin@advancedshare.com.au

**Auditors**

Grant Thornton (WA) Partnership  
Level 1  
10 Kings Park Road  
West Perth WA 6005

**Solicitors**

Steinepreis Paganin  
Level 4  
Next Building  
16 Milligan Street  
Perth WA 6000

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**FROM THE CHAIRMAN**

Dear Shareholder,

On behalf of the Board of Advanced Share Registry Limited (“Company”), I am pleased to send to you this Annual Report for the year from 1 July 2008 to 30 June 2009.

We are gratified to be able to report a pre-tax profit of \$1,254,991 on turnover of \$3,453,590 for this most difficult period for stock markets around the world. We consider this profit and our ability to pay a continuing, meaningful and fully franked dividend to be proof of the substance of our business model. Our significant cash reserves are available to fund new development initiatives, though recent upgrades have essentially been funded by retained profits.

The Advanced Share Registry Services business continues to grow, providing share registry services to listed companies in Australia and building a reputation as an efficient service provider, especially for smaller companies. Following the system upgrades announced on 9 June 2009, Advanced Share Registry Services now has a state of the art system. Our web based services are at least equal to all competitors and in some cases markedly better.

Details of these new services and systems are set out in the Directors’ Report.

Our vision of expansion, set out in the IPO prospectus, is now moving to realisation.

I would like to thank our staff, led by our Managing Director, Mr Kim Chong, for their tireless work in completing and launching our system upgrade during the most tempestuous financial period seen in many decades.

We are beginning to see the marketing advantages of these system upgrades as we attract new clients and we are commencing a number of marketing initiatives in Western Australia and in the eastern states.

On behalf of the Directors, I thank all shareholders for their support during the year and look forward to a continuing and profitable future.



.....  
Simon Cato  
Chairman

## **DIRECTORS' REPORT**

The Directors present their report, together with the financial report of the Company for the year ended 30 June 2009 and the auditor's report thereon.

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

Simon Cato	Non Executive Chairman	
Kim Chong	Managing Director	
Michael Vaughan	Marketing Director	Resigned 16 February 2009
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, Director

- B A

- Appointed director on 22 August 2007

Mr Cato has had 25 years capital markets experience in broking and regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and in Perth.

Over the last 19 years, he has been a public company director and executive director and/or responsible executive of 3 stockbroking firms. 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 has also been involved in the underwriting of a number of initial public offer listing in a 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

- 495,000 ordinary shares, no options

Special Responsibilities

- Mr Cato is the non executive chairman of the Company

Directorships held in other

listed entities

- Mr Cato is a director of Bentley International Limited, Greenland Minerals and Energy Limited and Queste Communications Ltd.

Mr Cato is chairman of Convergent Minerals Limited (since 25 July 2006).

**Kim Phin Chong**

Qualifications

Experience

- Managing Director

- Appointed director on 22 August 2007

Mr Chong has been actively involved in the share registry business for over 28 years. From 1981 until 1996, he was employed with major firms in registry operations as a systems analyst, client manager and share registry division manager.

Mr Chong commenced operations at Advanced Share Registry Services in 1996 with six clients, and with his experience in information technology and management skills, he has guided the business to the success it is today.

## **DIRECTORS' REPORT**

Interest in Shares & Options	- 25,799,500 ordinary shares, no options
Special Responsibilities	- Mr Chong is the managing director of the Company, responsible for the day to day management of the business.
Directorships held in other listed entities	- nil
<b>Alvin Tan</b>	- Non Executive Director
Qualifications	- B Com (Hons)
Experience	- Appointed director on 11 September 2007 Mr Tan studied at the University of Western Australia, gaining a Bachelor of Commerce with Honours, and then was employed by KPMG in Kuala Lumpur from 1993-1995 as a financial consultant. Returning to Australia, he worked with the stockbroking firm of DJ Carmicheal before pursuing other business interests. Mr Tan holds directorships in other public companies, and has interests in companies in exploration, property development, plantation and investment holdings.
Interest in Shares & Options	- 470,500 ordinary shares, no options
Special Responsibilities	- Mr Tan is a non-executive director of the Company.
Directorships held in other listed entities	- Mr Tan is a director of Orchid Capital Limited and BKM Management Ltd.
<b>Alan Charles Winduss</b>	- Non Executive Director and Chief Financial Officer
Qualifications	- CPA, FTIA, FAICD, AFAIM
Experience	- 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 25 years, specialising in matters relating to corporate management, restructuring, corporate finance and company secretarial matters, including ASX and ASIC compliance. 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	- 200,000 ordinary shares, no options
Special Responsibilities	- Mr Winduss is the Secretary and Chief Financial Officer of the Company.
Directorships held in other listed entities	- Mr Winduss is a director of United Overseas Australia Ltd, UOA REIT BHD (Bursa, Malaysia), Alloy Steel International Inc (OTCBB, USA). Mr Winduss is chairman of Quest Minerals Limited (since August 2008).

## **DIRECTORS' REPORT**

### **Michael Vaughan**

- |                          |  |
|--------------------------|--|
| Experience               | - Appointed director on 22 August 2007 and resigned 16 February 2009                         |
| Special Responsibilities | - Mr Vaughan was the marketing director of the Company during the period of his appointment. |

### **The Year under Review**

The year ended 30 June 2009 has been the first full twelve months trading for the Company and, having regard to the difficult economic conditions being experienced in Australia and worldwide, the Directors are very satisfied with the financial performance of the Company for the period.

As shareholders will be aware, the Company's revenue is affected by both stock market and corporate activities, both of which have been affected by the global recession.

There is a slight upsurge in stock market and corporate activities at the time of this report which will reflect in the revenues of the Company, and if this trend continues, the Directors are confident of an improved result for 2010.

A major operational upgrade of the Company's computer systems and website was commissioned in June 2009 which has placed the Company as the forerunner in providing electronic services to the industry.

These upgrades were developed and driven by the Managing Director, Mr Kim Chong, and the Directors are appreciative of these efforts.

The new web tools offer a sophisticated share registry solution for ASX listed companies and their shareholders.

The new software, offered exclusively to Advanced Share Registry clients, will provide high level access to securityholder records for investors and companies revolutionising the way online share registry services are managed.

The Company can now offer companies access to sort and examine their shareholder data in any manner they choose, allowing for much better understanding by directors of their shareholder base. Equally, shareholders of listed companies get systematic access to their own transaction histories allowing for easy tracking of holding changes for tax and other purposes.

Companies may choose to receive a suite of reports and ask for email or text message notification of changes to large shareholdings, protecting against fraud and warning of potential takeovers. They will be able to track meeting proxy voting online and plan capital raising with the flexibility of BPay.

## **DIRECTORS' REPORT**

### **Directors' Meetings**

<u>Director</u>	<u>Board Meetings Held</u>	<u>Board Meetings Attended</u>
S. Cato	5	5
K. Chong	5	5
M. Vaughan	2	2
A. Tan	5	5
A. Winduss	5	5

### **Corporate Governance Statement**

Unless disclosed below, all recommendations of the ASX Corporate Governance Council ("Council") have been applied for the entire financial year ended 30 June 2009.

### **The Board of Directors**

The Board's primary role is to guide and monitor the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, approving and monitoring financial reports and capital expenditure, setting remuneration, appointing, removing and creating succession policies for Directors and Senior Executives, establishing and monitoring the achievement of the management's goals and ensuring the integrity of the internal control and management information systems.

The Board has delegated responsibilities for the day to day operational, corporate, financial and administrative activities of the Company to the Managing Director and Finance Director.

### **Composition of the Board**

The skills, experience and expertise relevant to the position of each Director who is in office at the date of this report and their term of office is detailed in the Directors' Report.

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

- Directors appointed by the Board are subject to election by shareholders at the following Annual General Meeting and thereafter are subject to re-election in accordance with the Company'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.

## **DIRECTORS' REPORT**

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 Company 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 Company 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 Company's expense. Written approval must be obtained from the Chairperson prior to incurring any expenses on behalf of the Company.

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 Company 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 Company 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.

### **Nomination Committee**

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

Notwithstanding its reasons for not establishing a Nomination Committee, the Board resolved that it would be beneficial to adopt and implement a formal Charter that clearly sets out the Nominations Committees role and responsibilities, composition, structure and membership requirements.

All matters which might be properly dealt with by a Nomination Committee are considered at full Board of Directors meetings.

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

## **DIRECTORS' REPORT**

### **Remuneration Committee**

The Board believes that the Company 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.

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 Remuneration Committee.

The total maximum remuneration of Non-Executive Directors was the subject of a Shareholder resolution in accordance with the Company'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 Company 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 Company.

The Board will meet annually to 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 2009 as the Board believes that the Company is not of size, nor are its financial affairs of such complexity, to warrant such an exercise.

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

Notwithstanding its reasons for not establishing an Audit Committee, the Board resolved that it would be beneficial to adopt and implement a formal Charter that clearly sets out the Audit Committee's roles and responsibilities, composition, structure and membership requirements.



## **DIRECTORS' REPORT**

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

All issues and matters normally dealt with by an Audit Committee are assigned to the Company Secretary (operating within the parameters of an Audit Committee Charter), reporting directly to the Board.

### **Share Trading Policy**

Whilst the Board encourages its Directors and employees to own securities in the Company, it is also mindful of its responsibility that the Company 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 Company'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 Advanced Share Registry Limited shares with a view to derive profit related income is prohibited at all times.

### **Other Information**

Further information relating to the Company's Corporate Governance practices and policies has been made publicly available on the Company'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	25 months
K. Chong	25 months
A. Tan	24 months
A. Winduss	25 months

### **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 Company in the period under review, changes in the state of affairs of the Company and other disclosures required by the Corporations Act 2001 and Australian Stock Exchange Listing Requirements.

The half yearly report is distributed to shareholders on request.

**ADVANCED SHARE REGISTRY LIMITED**  
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**DIRECTORS' REPORT**

**Interests in the Shares of the Company**

As at the date of this report, the interests of the directors in the shares of Advanced Share Registry Limited were:

	<b>Ordinary Shares</b>	
	<b>Direct</b>	<b>Indirect</b>
S. Cato	350,000	145,000
K. Chong	-	25,799,500
A. Tan	-	470,500
A. Winduss	200,000	-

**Earnings per Share**

Basic Earnings per Share	2.08 cents
Diluted Earnings per Share	2.08 cents

<b>Dividends Paid or Recommended</b>	<b>Cents</b>	<b>Total</b>
Final (maiden) dividend paid – 3 October 2008	1.5c	\$606,000
Interim dividend paid – 30 March 2009	1c	\$404,000
Proposed final dividend – 8 October 2009	1c	\$404,000

**Nature of Operations and Principal Activities**

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

**Employees**

The Company employed 14 persons as at 30 June 2009.

**Summarised Operating Results**

	<b>Revenue</b>
<b>Industry Segment</b>	
Registry Services	3,457,404
Investment Income	194,001

## **DIRECTORS' REPORT**

### **Shareholder Returns**

The Board of Directors have approved a 1c fully franked dividend which will be paid on 8 October 2009.

	<b>2009</b>	<b>2008</b>
Basic earnings per Share	2.08c	1.63c
Return on Assets	11.82%	9.45%
Return on Equity	13.26%	10.10%
Net debt/equity ratio	9.01%	6.91%
NTA per share	9.20c	9.20c

### **Capital Structure**

There has been no change in the capital structure of the Company since the Listing on Australian Stock Exchange on 10 June 2008.

### **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.

### **Risk Management**

The Directors of the Company are actively committed to risk management criteria as outlined in the Company's Corporate Governance Statement.

### **Likely Developments and Results**

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

### **Environmental Regulations**

The Company'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 matters or circumstances have arisen since balance date in relation to the Company:

The Company has declared a fully franked dividend of 1 cent per share to be paid on 8 October 2009. This dividend has not been provided for in the accounts.

Except for the matters 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 Company, the results of those operations or the state of affairs of the Company in future financial years.

## **DIRECTORS' REPORT**

### **Insurance of Officers**

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

### **REMUNERATION REPORT (Audited)**

This report details the nature and amount of remuneration of each key management person of Advanced Share Registry Ltd, and for the executives receiving the highest remuneration.

### **Remuneration Policy**

The remuneration policy of the Company 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 Company, as well as create goal congruence between directors, executives and shareholders.

The Company'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 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. 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**

<b>Key Management Personnel</b>	<b>Position held as at 30 June 2009 and any change during the year</b>	<b>Contract details (duration and termination)</b>
Mr Kim Phin Chong	Chief Executive Officer	3 year contract from 21 February 2008. 3 months notice required to terminate.
Mr Michael Vaughan	Marketing Director Resigned 16 February 2009	-
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.

**ADVANCED SHARE REGISTRY LIMITED**  
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## DIRECTORS' REPORT

### Table of Benefits and Payments for the Year Ended 30 June 2009

Key Management Personnel		Short – term benefits		Post-employment benefit	Long – term benefits	Total
		Salary and fees	Profit share and Bonuses	Super-annuation	Long service Leave	
Mr Kim Phin Chong	2009	\$249,797	-	\$13,745	\$214	\$263,756
Mr Michael Vaughan	2009	\$98,353	-	-	-	\$98,353
Mr Simon Cato	2009	\$42,647	-	\$4,853	-	\$47,500
Mr Alan Winduss	2009	\$28,500	-	-	-	\$28,500
Mr Alvin Tan	2009	\$28,500	-	-	-	\$28,500
Total		\$447,797	-	\$18,598	\$214	\$466,609

As the Company did not start financial operations in its own right until 10 June 2008, no directors' or executives' remuneration or emoluments were paid in respect of the year ended 30 June 2008. Accordingly, there is no comparative information to be disclosed.

No performance based remuneration has been, or will be, paid in relation to the year ended 30 June 2009.

No securities, including options to acquire shares, have been or will be issued in relation to any remuneration package of personnel for the year ended 30 June 2009.

### Proceedings on Behalf of Company

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

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

### Non Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor independence for the following reason:

- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid for non-audit services during the period ended 30 June 2009:

Audit of Share Registry Function for ASX requirements:	
Grant Thornton (WA) Partnership	\$3,000

**DIRECTORS' REPORT**

**Auditor's Independence Declaration**

The auditor's independence declaration for period ending 30 June 2009 has been given and can be found on page 14 of this report.

Signed in accordance with a resolution of the Board of Directors



.....  
Simon Cato  
Chairman of Directors

Signed at Perth on the 24th of September 2009.

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W [www.grantthornton.com.au](http://www.grantthornton.com.au)

**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 2009, 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 (WA) PARTNERSHIP  
Chartered Accountants



M.J. HILLGROVE  
Partner

Perth, 24 September 2009

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**ADVANCED SHARE REGISTRY LIMITED**  
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**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
Sales Revenue	2	3,453,590	1,772,927
Other income	2	197,815	69,216
Occupancy expenses	3	(135,124)	(103,575)
Administrative expenses	3	(1,250,871)	(453,373)
Other operating expenses	3	(761,877)	(189,164)
Depreciation and amortisation	3	(248,542)	(128,194)
Profit before income tax		1,254,991	967,837
Income tax expense	4	(415,885)	(309,048)
Profit attributable to members		839,106	658,789
Basic earnings per share	21	2.08c	1.63c
Diluted earnings per share	21	2.08c	1.63c

The accompanying notes form part of these financial statements



**ADVANCED SHARE REGISTRY LIMITED**  
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**BALANCE SHEET**  
**AS AT 30 JUNE 2009**

	Notes	2009	2008
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	3,336,885	2,917,003
Trade and other receivables	7	761,184	971,443
Other current assets	8	3,236	-
<b>Total Current Assets</b>		<u>4,101,305</u>	<u>3,888,446</u>
<b>Non-current Assets</b>			
Property, plant and equipment	9	334,783	272,886
Intangible assets	10	2,615,000	2,805,000
Deferred tax asset	11	45,813	5,019
<b>Total Non-current Assets</b>		<u>2,995,596</u>	<u>3,082,905</u>
<b>TOTAL ASSETS</b>		<u>7,096,901</u>	<u>6,971,351</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	370,756	136,481
Current tax liabilities	11	339,346	312,744
Provisions	13	51,599	-
<b>Total Current liabilities</b>		<u>761,701</u>	<u>449,225</u>
<b>Non-current liabilities</b>			
Provisions	13	4,567	-
Deferred tax liabilities	11	2,694	1,323
<b>Total Non-current liabilities</b>		<u>7,261</u>	<u>1,323</u>
<b>TOTAL LIABILITIES</b>		<u>768,962</u>	<u>450,548</u>
<b>NET ASSETS</b>		<u>6,327,939</u>	<u>6,520,803</u>
<b>EQUITY</b>			
Issued Capital	14	5,840,044	5,862,014
Retained earnings		487,895	658,789
<b>TOTAL EQUITY</b>		<u>6,327,939</u>	<u>6,520,803</u>

The accompanying notes form part of these financial statements

**ADVANCED SHARE REGISTRY LIMITED**  
**ABN 14 127 175 946**

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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Issued Capital	Retained Earnings	Total Equity
At 22 August 2007 (Incorporation)	-	-	-
Profit for period	-	658,789	658,789
Total recognised income and expense during the year	-	658,789	658,789
Shares issued during period	6,025,400	-	6,025,400
Issue expenses during period	(163,386)	-	(163,386)
<b>Balance as at 30 June 2008</b>	<b>5,862,014</b>	<b>658,789</b>	<b>6,520,803</b>
Profit for period	-	839,106	839,106
Total recognised income and expense during the year	-	839,106	839,106
Issue expenses during period	(21,970)	-	(21,970)
Subtotal	5,840,044	1,497,895	7,337,939
Dividends paid or provided for	-	(1,010,000)	(1,010,000)
<b>Balance as at 30 June 2009</b>	<b>5,840,044</b>	<b>487,895</b>	<b>6,327,939</b>

The accompanying notes form part of these financial statements

**ADVANCED SHARE REGISTRY LIMITED**  
**ABN 14 127 175 946**

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**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
<b>Cash flows from operating activities</b>			
Receipts from customers	7(b)	3,694,641	-
Payments to suppliers and employees		(2,258,941)	(222,489)
Interest received		189,431	61,717
Income Tax Paid		(428,706)	-
<b>Net cash flows provided by/(used in) operating activities</b>	15	1,196,425	(160,772)
<b>Cash flows from investing activities</b>			
Payment for purchase of equipment		(122,962)	(178,624)
Payment for purchase intangibles		-	(1,900,000)
<b>Net Cash flows provided by/(used in) investing activities</b>		(122,962)	(2,078,624)
<b>Cash flows provided by/(used in) financing activities</b>			
Proceeds from short term loan		-	154,041
Proceeds from issue of shares		-	5,002,358
Repayment of borrowings		356,419	-
Dividends paid		(1,010,000)	-
<b>Net cash flows provided by/(used in) financing activities</b>		(653,581)	5,156,399
<b>Net increase in cash and cash equivalents</b>		419,882	2,917,003
<b>Cash and cash equivalents at the beginning of the year</b>		2,917,003	-
<b>Cash and cash equivalents at the end of the year</b>	6	3,336,885	2,917,003

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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

This financial report includes the financial statements and notes of Advanced Share Registry Limited.

**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.

**a. Comparative Information**

The comparative information shown in Income Statement, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements are for the period ended 30 June 2008. The company acquired the Share Registry business on 1 January 2008, and accordingly, there were only 6 months of active business operations during that year.

**b. 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 date. 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.

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 credited or charged directly to equity.

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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.

**c. Plant and Equipment**

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

Plant and Equipment are measured on the cost basis.

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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**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 Company commencing from the time the asset is held ready for use. Leasehold improvements 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:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2.5%
Plant and Equipment	5-50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**d. 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 Company 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

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

**e. Financial Instruments**

**Initial recognition and Measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within the timeframes established by market convention.

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. Financial instruments are classified and measured as set out below.

**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 exchanged or a liability settled, between knowledgeable, willing parties. Where available, 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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

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. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(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 using the effective interest rate method.

(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 Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(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.

(v) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**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 Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**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.

**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 Company 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.

**f. Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its 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 income statement.

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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**g. 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 date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

**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 8 years. Annual testing for impairment will also be carried out to determine

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

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.

**h. Employee Benefits**

Provision is made for the Company'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 cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

**i. Provisions**

Provisions are recognised when the Company 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.

**j. 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 balance sheet.

**k. 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.

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 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**l. 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 balance sheet are shown inclusive of GST.

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

**m. Earnings per Share**

Basic earnings per share is calculated as net profit attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends)
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**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 Company.

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

The Company 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 2009.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

*Key Estimates – Impairment of Non-Financial Assets other than Goodwill*

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company 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 sales to 2 clients during the current financial year amounting to \$10,138. These clients have had their trade terms extended past the company's usual trade terms in order to assist in the clients cash flow. The Directors understand that the full amount of the debt is likely to be recoverable; however a provision for impairment has been made.

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

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report.

AASB 8 Operating Segments introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Company's 31 December 2009 financial statements, will require a change in the presentation on and disclosure of segment information based on the internal reports regularly reviewed by the Company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Company presents segment information in respect of its business and geographical segments.

AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 makes amendments to AASB 5 Non-current Assets Held for Sale and Discontinued Operations, AASB 6 Exploration for and Evaluation of Mineral Resources, AASB 102 Inventories, AASB 107 Cash Flow Statements, AASB 119 Employee Benefits, AASB 127 Consolidated and Separate Financial Statements, AASB 134 Interim Financial Reporting, AASB 136 Impairment Assets, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 8 Operating Segments. This standard is only expected to impact disclosures contained within the financial report.

AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 makes amendments to AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow Statements AASB 111 Construction contracts, AASB 116 Property, Plant & Equipment, AASB 138 Intangible Assets, Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities and Interpretation 12 Service Concession Arrangements. AASB 2007-6 is

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

applicable for annual reporting periods beginning on or after 1 January 2009 and must be applied at the same time as AASB 123 Borrowing Costs. This standard principally removes the references to expensing borrowing costs on qualifying assets.

AASB 3 Business Combinations (March 2008) replaces AASB 3 Business Combinations (April 2007) and amends how entities account for business combinations and changes in ownership interests in subsidiaries. As the entity has not been a party to a business combination during this year this standard is not expected to have any impact on the entity's accounts.

Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Company's 31 December 2009 financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements.

AASB 123 Borrowing Costs replaces AASB 114 Segment Reporting and incorporates amendments removing the option to immediately expense borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The standard applies to entities with an annual reporting period commencing 1 January 2009.

AASB 127 Consolidated and Separate Financial Statements (March 2008) supersedes AASB 127 Consolidated and Separate Financial Statements (July 2004) and amends how entities account for business combinations and changes in ownership interests in subsidiaries. The standard is applicable to entities with a reporting period commencing 1 July 2009.

AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 consequentially amends a number of AASB's as a result of the reissue of AASB 101 so as to better align with IFRS Terminology. The standard is applicable to entities with a reporting period commencing 1 January 2009.

AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations. AASB 2008-1 was issued after changes were made AASB 2 Share Based-Payments including clarifying that vesting conditions are service conditions and performance conditions only, and that other features of a share-based payment are not vesting conditions. The standard is applicable to entities with a reporting period commencing 1 July 2009.

AASB 2008-2 AASB-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]. AASB 2008-2 makes amendments to AASB 132 and AASB 101, permitting certain puttable financial instruments to be classified as equity rather than liabilities, subject to

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

certain criteria being met. The standard is applicable to entities with a reporting period commencing 1 July 2009.

AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138, 139 and Interpretations 9 & 107]. AASB 2008-3 was issued after the AASB revised AASB 3 and AASB 127, as consequential amendments were necessary to other Australian Accounting Standards. The standard is applicable to entities with a reporting period commencing 1 July 2009.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process and 2008-6 Further Amendments to Australian Accounting Standards arising from The Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Company's 31 December 2009 financial statements, are not expected to have any impact on the financial statements.

AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]. AASB 2008-7 makes changes to a number of accounting standards, for the purpose of reducing the burden on parent entities when complying with AASB 127 and measuring the cost of a subsidiary at acquisition on their separate financial statements in certain circumstances. The amendments are to apply only on initial applications of Australian Equivalents to International Financial Reporting Standards (AASBs). The standard is applicable to entities with a reporting period commencing 1 January 2009.

AASB 2009-4 Amendments to Australian Accounting Standards arising from Annual Improvements Project [AASB 2, AASB 138 and AASB Interpretations 9 & 16] – AASB 2009-4 makes various amendments to a number of standards and interpretations in line with the IASB annual improvements project. The standard is applicable to entities with a reporting period commencing 1 July 2009.

AASB 2009-05 Further amendments to Australian Accounting Standards arising from Annual Improvements Project [AASBs 5, 8, 101, 107, 118, 136, 139]. AASB 2009-05 makes various amendments to a number of standards and interpretations in line with the IASB annual improvements project. The standard is applicable to entities with a reporting period commencing 1 January 2010.

**ADVANCED SHARE REGISTRY LIMITED**  
**ABN 14 127 175 946**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
<b>Note 2: Revenue</b>			
<b>Revenue</b>			
Registry fees		2,670,655	1,457,508
Client disbursements recovered		782,935	315,419
Total Revenue		<u>3,453,590</u>	<u>1,772,927</u>
<b>Other income</b>			
Interest received		194,001	66,128
Other income		3,814	3,088
		<u>197,815</u>	<u>69,216</u>
<b>Note 3: Profit from ordinary activities</b>			
<b>Expenses</b>			
Depreciation of non-current assets		58,542	33,194
Amortisation of non-current assets, client list		190,000	95,000
Professional fees		32,600	12,000
Occupancy expenses		135,124	103,575
Directors' fees		99,647	-
Salaries and wages		889,296	335,512
Postage, printing and stationery		651,478	228,499
Other expenses		339,727	66,526
		<u>2,396,414</u>	<u>874,306</u>
<b>Note 4: Income tax</b>			
a. The components of tax expense comprise:			
Current tax		455,308	312,744
Deferred tax	11	<u>(39,423)</u>	<u>(3,696)</u>
		<u>415,885</u>	<u>309,048</u>
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30%		376,497	290,351
Add:			
Tax effect of:			
Non deductible amortisation		57,000	28,500
		<u>433,497</u>	<u>318,851</u>
Less:			
Tax effect of:			
Deductible amount for share issue		(9,643)	(9,803)
Deductible amount for general business tax break		<u>(7,969)</u>	<u>-</u>
Income tax attributable to the entity		<u>415,885</u>	<u>309,048</u>
The applicable weighted average effective tax rate is:		33.1%	31.9%

**ADVANCED SHARE REGISTRY LIMITED**  
**ABN 14 127 175 946**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
<b>Note 5: Auditor's Remuneration</b>			
Remuneration of the auditor of the company for:			
- audit of the financial report		29,600	12,000
- audit of Share Registry Function for ASX requirements.		3,000	-
- audit in respect of listing		-	15,500
- Investigating Accountant's Report in respect of listing (Grant Thornton (WA) Financial Services Pty Ltd).		-	27,500
		32,600	55,000

**Note 6 : Cash and cash equivalents**

**Current**

Cash at Bank and on hand	1,272,885	917,003
Cash on deposit	2,064,000	2,000,000
	3,336,885	2,917,003

The effective interest rate on short-term bank deposits was 3.95%; this deposit has a maturity of 90 days

Under an arrangement with one of the Company's major suppliers, the company has arranged with their bank for a guarantee facility to be held over a cash deposit in the amount of \$64,000. Under the terms of the arrangement, the supplier may call on the bank to honour the guarantee where the Company defaults on payment of the suppliers' account and the bank may not release the funds supporting the guarantee to the Company without the prior approval of the supplier. The deposit is placed on a 12 month deposit account and is renewed in each year.

**Note 7: Trade and other receivables**

**Current**

Trade receivables		751,923	594,262
Provision for impairment		(10,138)	-
		741,785	594,262
Other receivables		8,981	4,411
Amounts receivable from related parties	<b>7b, 16</b>	10,418	372,770
		761,184	971,443



**ADVANCED SHARE REGISTRY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
<b>Note 7: Trade and other receivables (cont'd)</b>			
<b>a. Provision For Impairment of Receivables</b>			

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.

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

	Current trade receivables	Totals
<b>At 22 August 2007 (Incorporation)</b>	-	-
Charge for the year	-	-
Amounts written off	-	-
<b>Balance as at 30 June 2008</b>	-	-
Charge for the year	10,138	10,138
Amounts written off	-	-
<b>Balance as at 30 June 2009</b>	10,138	10,138

**b. Key Management Personnel Receivable**

Balance at beginning of year	372,770	-
Balance at end of year	10,418	372,770
Balance on which interest charged	-	-
Balance on which interest not charged	10,418	372,770
Provision for impairment	-	-
Number of individuals	1	1

The above receivable from related parties represents an unsecured amount owed by KMC Automation Pty Ltd as trustee for the Meiko Trust, a related entity associated with Kim Chong. The receivable as at 30 June 2008, which arose as a result of the period of trading during the extended settlement period of the purchase of the business, bears no interest. The receivable was repaid in the current year.

The receivable as at 30 June 2009 has arisen as a result of a further reconciliation of receivable payments where clients of the Company continued to make payments to the former owner's bank account instead of the Company's bank account as instructed, together with a reconciliation of taxes deducted from a portion of the directors fees that were deferred and accrued during the period July to December 2008. The amount has been repaid subsequent to the balance date.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 7: Trade and other receivables (cont'd)**

There are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

**Credit Risk – Trade and Other Receivables**

The Company 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 company. On a geographical basis the company has no credit risk exposure.

The following table details the Company'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 Company 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 Company.

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>2009</b>							
Trade and term receivables	720,542	10,138	-	31,446	14,000	21,731	643,227
Other receivables	40,362	-	-	-	-	-	40,362
Amounts receivable from related parties	10,418	-	-	-	-	-	10,418
<b>Total</b>	<b>771,322</b>	<b>10,138</b>	<b>-</b>	<b>31,446</b>	<b>14,000</b>	<b>21,731</b>	<b>694,007</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
<b>Note 8: Other assets</b>			
<b>Current</b>			
Prepayments		3,236	-
		<u>3,236</u>	<u>-</u>
<b>Note 9: Plant and equipment</b>			
Leasehold improvements – at cost		77,529	77,870
Accumulated depreciation		(2,544)	(664)
		<u>74,985</u>	<u>77,206</u>
Plant and equipment – at cost		348,990	228,210
Accumulated depreciation		(89,192)	(32,530)
		<u>259,798</u>	<u>195,680</u>
Total Plant and equipment		<u>334,783</u>	<u>272,886</u>

**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

	<b>Leasehold</b>		<b>Plant &amp; Equipment</b>		<b>Total</b>	
	<b>Improvements</b>					
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Opening balance	77,206	-	195,680	-	272,886	-
Additions	-	77,870	120,780	228,210	120,780	306,080
Depreciation expense	(2,221)	(664)	(56,662)	(32,530)	(58,883)	(33,194)
Balance at 30 June	<u>74,985</u>	<u>77,206</u>	<u>259,798</u>	<u>195,680</u>	<u>334,783</u>	<u>272,886</u>

	2009	2008
<b>Note 10: Intangible Assets</b>		
Goodwill – at cost	1,000,000	1,000,000
Net carrying value	<u>1,000,000</u>	<u>1,000,000</u>
Client book acquired	1,900,000	1,900,000
Accumulated amortisation	(285,000)	(95,000)
Net carrying value	<u>1,615,000</u>	<u>1,805,000</u>
Total intangibles	<u>2,615,000</u>	<u>2,805,000</u>

The client list acquired is amortised over its effective life, determined to be 10 years. The remaining amortisation period is 8 years. (Refer Note 1g)

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
<b>Note 10: Intangible Assets (cont'd)</b>			
<b>a. Movements in Carrying Amounts</b>			

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

	<b>Goodwill</b>		<b>Client Book Acquired</b>		<b>Total</b>	
	2009	2008	2009	2008	2009	2008
Opening balance	1,000,000	-	1,805,000	-	2,805,000	-
Additions	-	1,000,000	-	1,900,000	-	2,900,000
Amortisation expense	-	-	(190,000)	(95,000)	(190,000)	(95,000)
Balance at 30 June	1,000,000	1,000,000	1,615,000	1,805,000	2,615,000	2,805,000

**Impairment Disclosures**

Goodwill is allocated to cash generating units which are based on the Company's reporting segments

Share registry	1,000,000
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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 3 year period with the period beyond 3 years extrapolated using an estimated growth rate. The cash flows are discounted by using the yield of 10 year government bonds at the beginning of the budget period.

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

	<b>Growth Rate</b>	<b>Discount Rate</b>
Share registry	15%	7%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. 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.

**Note 11: Tax**

**Current**

Income Tax Payable	339,346	312,744
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

		Notes	2009	2008
<b>Note 11: Tax (cont'd)</b>				
<b>Non- Current</b>				
	<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	-	1,323	-	1,323
<b>Balance at 30 June 2008</b>	-	1,323	-	1,323
Accrued Income	1,323	2,694	-	4,017
<b>Balance at 30 June 2009</b>	1,323	2,694	-	4,017

**Deferred Tax Assets**

Provisions and Accrued Expenses	-	5,019	-	5,019
<b>Balance at 30 June 2008</b>	-	5,019	-	5,019
Provisions and Accrued Expenses	5,019	45,813	-	50,832
<b>Balance at 30 June 2009</b>	5,019	45,813	-	50,832

	<b>2009</b>	<b>2008</b>
<b>Note 12: Trade and other payables</b>		
<b>Current</b>		
Trade creditors and accruals	370,756	136,481

**Note 13: Provisions**

Opening balance at 1 July 2008	-	-
Additional provisions:		
Short- term Employee Benefits	46,446	-
Long- term Employee Benefits	9,720	-
<b>Balance at 30 June 2009</b>	<b>56,166</b>	<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
<b>Note 13: Provisions (cont'd)</b>			
<b>Analysis of Total Provisions</b>			
Current			
Short- term Employee Benefits		51,599	-
Non-current			
Long- term Employee Benefits		4,567	-

**Note 14: Share Capital**

40,400,000 (2008 : 40,400,000) fully paid ordinary shares)	5,840,044	5,862,014
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<b>a. Movements in ordinary share capital</b>	<b>No. of shares</b>	<b>No. of shares</b>
Balance at the beginning of the financial year	40,400,000	-
Issue of shares due to purchase of business	-	2,500,000
Issue of shares as a result of ASX listing	-	12,500,000
Issue of promoter and seed capital	-	25,400,000
Balance at the end of the financial year	40,400,000	40,400,000

<b>Ordinary Shares</b>	<b>\$</b>	<b>\$</b>
At the beginning of the reporting period	6,025,400	-
Shares issued during the year		
15,000,000 fully paid at 40 cents	-	6,000,000
25,400,000 fully paid at 0.1 cents	-	25,400
At reporting date	6,025,400	6,025,400

Ordinary shares participate in dividends and the proceeds on winding up of the Company 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 Company in order to maintain a good debt to equity ratio, provide shareholders with adequate returns and ensure the Company can fund its operations and continue as a going concern.

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
<b>Note 14: Share Capital (cont'd)</b>			
<b>b. Capital management (cont'd)</b>			

Management effectively manages the Company's capital by assessing the Company'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 Company since listing on 10 June 2008.

**Note 15: Cash flow information**

**Reconciliation of Cash Flow from Operations  
with Profit after Income Tax**

Profit after income tax	839,106	658,789
Non cash flows in profit:		
Amortisation	190,000	95,000
Depreciation	58,542	33,194
	1,087,648	786,983
Changes in equity as a result of adjustments during listing	(21,970)	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	(152,093)	(598,073)
(Increase)/decrease in prepayments	(3,236)	-
(Increase)/decrease in receivable relating to initial trading activities conducted via related party	5,933	(782,272)
Increase/(decrease) in trade payables and accrual	236,799	123,542
Increase/(decrease) in income taxes payable	26,602	312,744
Increase/(decrease) in deferred taxes payable	(39,424)	(3,696)
Increase/(decrease) in provisions	56,166	-
	1,196,425	(160,772)

**Note 16: Events Occurring after Balance Date**

**a. Proposed dividend**

The Directors propose that a dividend of 1 cent per share fully franked be paid out of the current year earnings. This dividend is to be paid on 8 October 2009.

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 Company to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 16: Events Occurring after Balance Date (cont'd)**

**b. Repayment by related party of amount receivable**

The receivable (*refer Note 7b*) was repaid to the Company by the related party in full on 23 September 2009.

**Note 17: Capital and leasing commitments**

**Non-cancellable operating lease commitments**

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

	<b>2009</b>	<b>2008</b>
- not later than 12 months	123,430	117,552
- between 12 months and 5 years	41,806	165,236
- greater than 5 years	-	-
	165,236	282,788

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 5% per annum. An option exists to renew the lease at the end of the 3 year term for an additional 3 years.

**Note 18: Contingent Liabilities**

The Company has no known or identifiable contingent liabilities.

**Note 19: Financial Risk Management**

**Financial Instruments**

**Categories of Financial Instruments**

**Financial Assets**

Cash and cash equivalents	3,336,885	2,917,003
Loans and receivables	761,184	971,443
	4,098,069	3,888,446

**Financial liabilities**

Payable and borrowings	370,756	136,481
	370,756	136,481



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 19: Financial Risk Management (cont'd)**

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

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company'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:

- |                            |                                 |
|----------------------------|---------------------------------|
| - trade receivables        | - cash at bank                  |
| - trade and other payables | - floating-rate bank term loans |
| - deposits                 | - loans receivable              |

The Board has overall responsibility for the determination of the Company'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 Company's finance function. The Company's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the result of the Company 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 Company.

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 Company, 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 FRMC has otherwise cleared as being financially sound. Where the Company 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..

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 balance sheet and notes to the financial statements.

There is no material amounts of collateral held as security at 30 June 2009.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 19: Financial Risk Management (cont'd)**

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

	<b>2009</b>	<b>2008</b>
Trade debtors	741,785	594,112
Receivable from related party	10,418	372,770

**c. Liquidity risk**

Liquidity risk is the risk that the Company 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>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Financial liabilities due for payment</b>				
Trade and other payables	370,756	136,481	370,756	136,481
<b>Total expected outflows</b>	370,756	136,481	370,756	136,481
<b>Financial assets – cash flows realisable</b>				
Cash and cash equivalents	3,336,885	2,917,003	3,336,885	2,917,003
Trade, term and loans receivables	761,184	971,443	761,184	971,443
<b>Total anticipated inflows</b>	4,098,069	3,888,446	4,098,069	3,888,446
<b>Net (outflow)/ inflow on financial instruments</b>	3,727,313	3,751,965	3,727,313	3,751,965

**Financial arrangements**

Nil at balance date.

**d. 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 Company 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 company has no significant borrowings which may give rise to interest rate risks.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 19: Financial Risk Management (cont'd)**

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 balance sheet.

<b>Maturity of notional amounts:</b>	<b>Effective Average Fixed Interest Rate Payable</b>		<b>Notional Principal</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Less than 1 year	2.82%	4.14%	4,098,069	3,888,446
			<u>4,098,069</u>	<u>3,888,446</u>

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

**Net Fair Values**

The net 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

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

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

	<b>Carrying Amount</b>		<b>Net Fair Value</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Financial Assets:</b>				
Cash and cash equivalents	3,336,885	2,917,003	3,336,885	2,917,003
Receivables	761,184	971,443	761,184	971,443
<b>Total Financial Assets</b>	<u>4,098,069</u>	<u>3,888,446</u>	<u>4,098,069</u>	<u>3,888,446</u>
<b>Financial Liabilities:</b>				
Trade and sundry payables	370,756	136,481	370,756	136,481
<b>Total Financial Liabilities</b>	<u>370,756</u>	<u>136,481</u>	<u>370,756</u>	<u>136,481</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 19: Financial Risk Management (cont'd)**

**Sensitivity Analysis**

The Company 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*

Change in profit

- Increase in interest rate by 2%	40,000	20,000
- Decrease in interest rate by 2%	(40,000)	(20,000)

Change in equity

- Increase in interest rate by 2%	40,000	20,000
- Decrease in interest rate by 2%	(40,000)	(20,000)

**Note 20: Related Party Disclosures**

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

**Shareholdings**

The number of shares in the Company held as at the end of the financial year by each director of the Company and key management personnel including their personally related entities are set out below:

<b>Directors</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	25,775,500	-	24,000	25,799,500
A. Tan	395,500	-	75,000	470,500
M. Vaughan	949,500	-	35,000	984,500
A. Winduss	200,000	-	-	200,000
	<u>27,815,500</u>	<u>-</u>	<u>134,000</u>	<u>27,949,500</u>

**Other Related Party Disclosures**

**Receivables – KMC Automation Pty Ltd**

The receivable as at 30 June 2009 has arisen as a result of a further reconciliation of receivable payments where clients of the Company continued to make payments to the former owner's bank account instead of the Company's bank account as advised, together with a reconciliation of taxes deducted from a portion of the directors fees that were deferred and accrued during the period July to December 2008. The amount has been repaid subsequent to the balance date.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 20: Related Party Disclosures (cont'd)**

**Executive Services Agreements**  
**- Kim Chong**

On 21 February 2008, the Company entered into a services agreement with Mr Kim Chong effective from the date the Company obtains conditional approval from ASX for the quotation of its shares. Under the Services Agreement, Mr Chong is engaged by the Company to provide services to the Company in the capacity of Managing Director and Chief Executive Officer.

Mr Chong is to be paid an annual remuneration of \$275,000, inclusive of statutory superannuation. Mr Chong will also be reimbursed for reasonable expenses incurred in carrying out his duties. Mr Chong waived the right for any remuneration until 1 July 2008.

The Services Agreement continues for a period of 3 years, with an option to extend for a further 3 year term, unless terminated in accordance with the relevant provisions of the Service Agreement. The Services Agreement contains standard termination provisions under which the Company must give notice of termination, or alternatively payment in lieu of service. In addition Mr Chong is entitled to all unpaid remuneration and entitlements up to the date of termination.

Mr Chong is the major Shareholder through direct and indirect interests and Director of the Company.

**Commercial Services Agreement**  
**- Winduss & Associates Pty Ltd**

The Company 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 2009 for accounting and secretarial services including matters relating to prospectus issue, was \$63,918 including GST (2008:\$33,000). The amount owing to Winduss & Associates Pty Ltd at 30 June 2009 was \$63,228 (2008: nil).

	<b>Notes</b>	<b>2009</b>	<b>2008</b>
<b>Note 21: Earnings per share</b>			
<b>Earnings used in the calculation of EPS</b>			
Profit		839,106	658,789
<b>Earnings per share</b>			
Basic earnings per share		2.08c	1.63 c
Diluted earnings per share		2.08c	1.63 c
<b>Weighted average number of ordinary shares used as the denominator</b>			
Weighted average number of ordinary shares used - as the denominator in calculating basic earnings per share		40,400,000	40,400,000

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 22: Segment Information**

The entity operated in one business, being Share Registry services and in only one geographic segment, Australia.

**Note 23: Dividends**

	<b>2009</b>	<b>2008</b>
Distributions paid		
2008 final dividend (fully franked) of 1.5 cents per share franked at the tax rate of 30% (paid 3 October 2008)	606,000	-
2009 interim dividend (fully franked) of 1 cent per share franked at the tax rate of 30% (paid 30 March 2009)	404,000	-
	<u>1,010,000</u>	<u>-</u>
a. Proposed 2009 final dividend (fully franked) of 1 cent per share franked at the tax rate of 30% (payable 8 October 2009)	404,000	-
b. Balance of franking account at year end adjusted for franking credits arising from:		
- Payment of provision for income tax	295,772	312,744
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	(173,143)	(259,714)
	<u>122,629</u>	<u>53,030</u>

**Note 24: Key Management Personnel Disclosures**

- a. The key management personnel of the Company include the directors, chief financial officer and chief operations officer.

The following persons were key management personnel of the Company during the financial year.

**Directors**

S. Cato  
K. Chong  
A. Winduss

**Directors**

M. Vaughan (Resigned 16 February 2009)  
A. Tan

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 24: Key Management Personnel Disclosures (cont'd)**

- b. Compensation paid, payable or provided to directors and other key management personnel during the financial year is set out below:

Key Management Personnel		Short – term benefits		Post-employment benefit	Long – term benefits	Total
		Salary and fees	Profit share and Bonuses	Super-annuation	Long service Leave	
Mr Kim Phin Chong	2009	\$249,797	-	\$13,745	\$214	\$263,756
Mr Michael Vaughan	2009	\$98,353	-	-	-	\$98,353
Mr Simon Cato	2009	\$42,647	-	\$4,853	-	\$47,500
Mr Alan Winduss	2009	\$28,500	-	-	-	\$28,500
Mr Alvin Tan	2009	\$28,500	-	-	-	\$28,500
Total		\$447,797	-	\$18,598	\$214	\$466,609

As the Company did not start financial operations in its own right until 10 June 2008, no directors' or executive's remuneration or emoluments were paid in respect of the year ended 30 June 2008. Accordingly, there is no comparative information to be disclosed.

Due to the global economic conditions, all Directors agreed to reduce their fees by 10% for the period commencing 1 January 2009 to 30 June 2009. Accordingly the amounts declared above will be less than the contracted amounts disclosed elsewhere in this report. The reductions were not deferrals of the amounts due, and therefore no director is able to make a future claim for payment of the amounts by which the fees were reduced.

- c. The Company did not issue any options to any personnel during the period.
- d. Number of Shares held by Key Management Personnel

Directors	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	-	-	495,000
K. Chong	25,775,500	-	24,000	25,799,500
A. Tan	395,500	-	75,000	470,500
M. Vaughan	949,500	-	35,000	984,500
A. Winduss	200,000	-	-	200,000
	27,815,500	-	134,000	27,949,500

No shares have been issued as remuneration to any personnel of the Company.

**ADVANCED SHARE REGISTRY LIMITED**  
**ABN 14 127 175 946**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 25: Business Combinations**

**Acquisition of business**

During the prior year, on 21 February 2008, the Company entered a Business Sale Agreement with KMC Automation Pty Ltd as a trustee for the Meiko Trust ("Vendor") pursuant to which the Company agreed to purchase, and the Vendor agreed to sell. The share registry services business trading as Advanced Share Registry, ("Business") and certain of the Business' assets ("Assets"). The material terms and conditions of the Business Sale Agreement were as follows:

- (i) The Business Sale Agreement was subject to and conditional upon the satisfaction of the following conditions precedent on or before 30 June 2008:
  - (A) The Company conducting due diligence on the Business to its sole satisfaction;
  - (B) The Company obtaining all necessary regulatory and shareholder approvals;
  - (C) The Company successfully completing a capital raising a minimum of \$5,000,000 and obtaining conditional approval from ASX for the quotation of its Shares; and
  - (D) Compliance with the Corporations Act and the ASX Listing Rules;
- (ii) The Consideration payable for the purchase of the Business and the Assets by the Company is as follows:
  - (A) the allotment and issue of 2,500,000 shares; and
  - (B) the payment of \$2,000,000 cash, to the Vendor;
- (iii) The completion of the purchase and Business and the Asset (Settlement) will occur on that date which is 5 business days after the satisfaction or waiver of the above conditions precedent or such that a later date as may be agreed;
- (iv) Subject to Settlement and with the effect on and from 31 December 2007 (Effective Date), risk in the Business and the Assets shall pass to the Company.
- (v) Settlement was effective on 10 June 2008 after listing the Company of the Australian Stock Exchange.

The Company acquired the Business from KMC Automation Pty Ltd as trustee for the Meiko Trust with effect from 31 December 2007 upon Settlement on 10 June 2008.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 25: Business Combinations (cont'd)**

The fair value of identifiable assets and liabilities of the Business as at the date of acquisition were:

	<b>Note</b>	<b>Recognised on acquisition</b>	<b>Carrying Amount</b>
Plant and Equipment		100,000	100,000
Intangible Assets	<b>9</b>	1,900,000	1,900,000
		<u>2,000,000</u>	<u>2,000,000</u>
 Fair Value of identifiable net assets		 2,000,000	 2,000,000
Goodwill on acquisition	<b>9</b>	1,000,000	
		<u>3,000,000</u>	
 Costs of the combination:			
Cash Paid		2,150,673	
Shares issued at fair value		1,000,000	
Direct costs of the acquisition		(150,673)	
		<u>3,000,000</u>	

Accordingly, the amounts reported for the year ended 30 June 2008 include the business operations of the Share Registry business for a period of 6 months.

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 15 to 48, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the period ended on that date of the Company and consolidated group;
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
  - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view;
3. in the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



.....  
Simon Cato  
Chairman of Directors

Signed at Perth on 24th of September 2009.

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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, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

### **Independence**

In conducting our audit, we complied with applicable 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 company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 11 to 12 of the directors' report for the year ended 30 June 2009. 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**

In our opinion the Remuneration Report of Advanced Share Registry Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON (WA) PARTNERSHIP  
Chartered Accountants



M.J. HILLGROVE  
Partner

Perth, 24 September 2009

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**ADVANCED SHARE REGISTRY LIMITED**  
**ABN 14 127 175 946**

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**SHAREHOLDER INFORMATION**

(Current as at 23 September, 2009)

**A. Substantial Shareholders**

Name	Number of Shares	Percentage of Issued Capital
KMC Automation Pty Ltd	25,804,500	63.87

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

i) Distribution Schedule of Holdings	Holders	Number of Shares	Percentage of Issued Capital
1-1,000	1	10	0.00
1,001-5,000	97	453,243	1.12
5,001-10,000	68	648,344	1.60
10,001-100,000	230	6,490,442	16.07
100,001 and over	28	32,807,961	81.21
Total number of holders	504	40,400,000	100.00
ii) Holding less than a marketable parcel	6		

C. Twenty Largest Shareholders	Number of Shares	Percentage of Issued Capital
1 KMC Automation Pty Ltd	25,804,500	63.87
2 Pacific Custodians Pty Limited	1,374,634	3.40
3 M T Vaughan	984,500	2.44
4 The Australian Superannuation Group (WA) Pty Ltd	645,050	1.60
5 Lake Springs Pty Ltd, <The Lake Springs S/F A/C>	262,500	0.65
6 S K Cato	250,000	0.62
7 Mulato Nominees Pty Ltd	250,000	0.62
8 Alberta Resources Pty Ltd, <British Columbia S/F A/C>	239,277	0.59
9 Ostle Investments Pty Ltd, <Tan Family Super Fund A/C>	200,000	0.50
10 Jameker Pty Ltd, <AKJ Family A/C>	200,000	0.50
11 Generation Capital Pty Ltd	200,000	0.50
12 A C Winduss	200,000	0.50
13 Senorita Pty Ltd	195,000	0.48
14 Kouta Bay Pty Ltd, <The Houndy Family A/C>	187,500	0.46
15 J Davidson & E Davidson	162,000	0.40
16 Amik Investments Pty Ltd	150,000	0.37
17 Stephen Brockhurst, <SM Brockhurst Family A/C>	150,000	0.37
18 Y L Zheng	135,000	0.33
19 Rosemont Asset Pty Ltd	125,000	0.31
20 Batten Resources Pty Ltd, <Batten Super Fund A/C>	125,000	0.31

**D. Restricted Securities**

As at 23 September 2009 there are 2,139,500 ordinary shares under voluntary escrow for 24 months from the date of listing. The escrow period ends on 10 June 2010.

**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.