

# 2012 Annual Report



ADVANCED SHARE REGISTRY LTD

**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**

Suite 1  
467 Scarborough Beach Road  
Osborne Park WA 6017  
Telephone: +61 8 9217 9800  
Facsimile: +61 8 9217 9899  
Email: a.winduss@advancedshare.com.au

**Company Secretary**

A C Winduss

**Stock Exchange Listing**

**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.co.au  
Email: Admin@advancedshare.com.au

**Sydney Office**

Level 6  
225 Clarence Street  
Sydney NSW 2000  
Telephone: +61 2 8096 3502  
+61 2 8003 6825

**Auditors**

Grant Thornton Audit Pty Ltd  
Level 1  
10 Kings Park Road  
West Perth WA 6005

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**Solicitors**

Gadens  
Level 7  
150 St Georges Terrace  
Perth WA 6000

**FROM THE CHAIRMAN**

Dear Shareholder

On behalf of the Board of Advanced Share Registry Limited (**Company**), I am pleased to present this Annual Report for the financial year to 30 June 2012.

This year has been an extremely challenging year for listed companies and there has been a distinct fall in scale and number of capital raisings, particularly new public offerings. In the context of this difficult time we are pleased to report a continuing significant profit for the period and the declaration and payment of a franked dividend of 1.85 cents per share for the 6 month period from 1 January 2012 and therefore a total dividend over the year of 3.70c.

The Advanced Share Registry Services business continues to perform well with significant client retention and growth. We have also been consistently proactive in managing costs without decreasing services to clients. In fact this year continues to be a year of innovation and expansion of services available to clients.

We have recently finalised a significant new shareholder meeting management system to streamline shareholder registration and voting at large or contentious meetings. This has been ably achieved by liaison between staff at both our Perth and Sydney offices.

We have also commenced a partnership with FIRST Advisers, an investor relations consultancy which has been analysing share registers for over a decade. They will be assisting our clients to better understand the composition of their investor base and develop strategies on how best to communicate with their shareholders.

Organic growth in client numbers has come as many companies see the strength of our services offering and the functionality of our website for both company clients and their shareholders.

We are continuing to plan further upgrades and the introduction of further client services.

Our challenge in the current period is to maintain growth in the current economic climate. We are pleased to report that since 30 June 2012 we have had a further 4 companies join as clients and our marketing initiatives are ongoing.

On behalf of the Directors, I welcome all new shareholders and look forward to a 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 2012 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
Alvin Tan	Non Executive Director
Alan Winduss	Non Executive Director

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

**Simon Kenneth Cato**

Qualifications

Experience

- Chairman

- B A

- Appointed director on 22 August 2007

Mr Cato has had over 30 years capital markets experience in broking, regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and in Perth.

From 1991 until 2006 he was an executive director and/or responsible executive of 3 stockbroking firms and in those roles, he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker, he has also been involved in the underwriting of a number of initial public offers and has been through the process of initial public offers listings in the dual role of broker and director. Currently, he holds a number of executive and non executive roles with listed companies in Australia.

Interest in Shares & Options

Special Responsibilities

Directorships held in other listed entities

- 495,000 ordinary shares, nil options

- Mr Cato is the non executive chairman of the Company

- Mr Cato is a director of Transactions Solutions International Ltd (since February 2010), Greenland Minerals and Energy Ltd (since February 2006) and Queste Communications Ltd (since February 2008).

Former directorships in other listed entities in past 3 years are: Convergent Minerals Ltd (25 July 2006 to 19 December 2011). Bentley Capital Ltd (5 February 2004 to 29 April 2010).

**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 30 years. From 1981 until 1996, he was employed with a major registry operator as a systems analyst, client manager and share registry division manager.

## **DIRECTORS' REPORT**

Interest in Shares & Options	Mr Chong commenced Advanced Share Registry Services as a private company in 1996. Commencing with six clients, his experience in information technology and business skills has been in the forefront of making the company the success it is today.
Special Responsibilities	<ul style="list-style-type: none"><li>- 23,809,500 ordinary shares, nil options</li><li>- Mr Chong is the managing director of the Company, responsible for the day to day management of the business.</li></ul>
Directorships held in other listed entities	<ul style="list-style-type: none"><li>- nil</li></ul>
<b>Alvin Tan</b>	<ul style="list-style-type: none"><li>- Non Executive Director</li></ul>
Qualifications	<ul style="list-style-type: none"><li>- B Com (Hons)</li></ul>
Experience	<ul style="list-style-type: none"><li>- Appointed director on 11 September 2007</li></ul> <p>Mr Tan has over 18 years experience in Australia and Asia, including mergers, acquisition, listings on the ASX, AIM, KLSE, Germany and capital raisings in the same jurisdictions.</p> <p>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 Carmichael.</p> <p>Mr Tan has interests in companies involved in exploration for minerals, property development, plantation and corporate services both in Australia and overseas.</p>
Interest in Shares & Options	<ul style="list-style-type: none"><li>- 470,500 ordinary shares, nil options.</li></ul>
Directorships held in other listed entities	<ul style="list-style-type: none"><li>- Mr Tan is a director of Coral Sea Petroleum Limited (formally Orchid Capital Limited since 2000) and BKM Management Ltd (since 2002).</li></ul> <p>Former directorships in other listed entities in past 3 years are: Alloy Steel International Inc USA Listed (6 April 2010 to 4 August 2010)</p>
<b>Alan Charles Winduss</b>	<ul style="list-style-type: none"><li>- Non Executive Director and Company Secretary</li></ul>
Qualifications	<ul style="list-style-type: none"><li>- CPA, FTIA, FAICD, AFAIM</li></ul>
Experience	<ul style="list-style-type: none"><li>- Appointed director 22 August 2007</li></ul> <p>Mr Winduss is a director of Winduss &amp; 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.</p> <p>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.</p>

## **DIRECTORS' REPORT**

- |   |   |
|---|---|
| Interest in Shares & Options                | - 200,000 ordinary shares, nil options  |
| Special Responsibilities                    | - Mr Winduss is the Secretary and Chief Financial Officer of the Company.   |
| Directorships held in other listed entities | - United Overseas Australia Limited ASX Listed (since November 1995), UOA REIT BHD Bursa Malaysia Listed (since October 2008), UOA Development Bursa Malaysia Listed (since January 2011), Quest Minerals Limited (Chairman) ASX Listed (since August 2008), Black Ridge Mining NL (Chairman) ASX Listed (since February 2011), Magna Mining Limited ASX Listed (since September 2009). |

Former directorships in other listed entities in past 3 years are: Alloy Steel International Inc USA Listed (1 July 2000 to 30 June 2010) and IFS Construction Services Ltd, ASX Listed (20 July 2012 to 27 August 2012).

### **The Year under Review**

In a difficult economic year the company achieved gross sales of \$5,131,628 and a profit before taxation of \$2,371,951.

This profit was after charges of \$291,686 for amortisation and depreciation.

The Directors are pleased with the operating result for the year. Economic conditions which influence corporate market activity will influence future sales and profit levels but the directors are confident of a positive future trend for the company.

In the financial year under review the company has been proactive in managing costs without a diminution in services to clients.

As part of increasing its services to clients the company has recently implemented a significant new shareholder meeting management system, to streamline shareholder registration and voting at large or contentious meetings.

A partnership with FIRST Advisers, an investor relations consultancy which has been analysing share registers for over a decade has been entered into to enhance our services. This will allow our clients to better understand the composition of their investor base and develop strategies on how best to communicate with their shareholders.

We are continuing to plan further upgrades and the introduction of further services to enhance our position as a leading registry service provider.

The Company paid a final dividend of 1.85c per share from 2012 operating profits on 18 August, 2012.

The Directors are confident of continuing growth for the Company.

## **DIRECTORS' REPORT**

### **Directors' Meetings**

<u>Director</u>	<u>Board Meetings Held</u>	<u>Board Meetings Attended</u>
S. Cato	4	4
K. Chong	4	4
A. Tan	4	4
A. Winduss	4	4

### **Corporate Governance Statement**

Unless disclosed below, all current recommendations of the ASX Corporate Governance Council ("Council") have been applied for the entire financial year ended 30 June 2012.

### **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.

### **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. The Board undertakes the functions of the Remuneration Committee as appropriate.

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

The total maximum remuneration of Non-Executive Directors was the subject of a Shareholder resolution in accordance with the 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 2012 as the Board believes that the Company is not of size, nor are its financial affairs of such complexity, to warrant such an exercise. No external remuneration consultants were engaged by the Company during the year.

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 Company shares with a view to derive profit related income is prohibited at all times.

### **Diversity Policy**

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

Total female employees are 9 which is 50 % of all employees.

Total female senior executives, nil.

Total female board members, nil.

### **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	5 years
K. Chong	5 years
A. Tan	5 years
A. Winduss	5 years

## **DIRECTORS' REPORT**

### **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.

### **Interests in the Shares of the Company**

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

	<b>Ordinary Shares</b>	
	<b>Direct</b>	<b>Indirect</b>
S. Cato	350,000	145,000
K. Chong	-	23,809,500
A. Tan	-	470,500
A. Winduss	200,000	-

### **Earnings per Share**

Basic Earnings per Share	3.73 cents
Diluted Earnings per Share	3.71 cents

<b>Dividends Paid or Recommended</b>	<b>Cents</b>	<b>Total</b>
Final dividend paid – 18 August 2011	2.00c	\$848,000
Interim dividend paid – 17 February 2012	1.85c	\$784,400
Proposed final dividend – 20 August 2012	1.85c	\$784,400

### **Nature of Operations and Principal Activities**

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

### **Employees**

The Company employed 18 persons as at 30 June 2012. (2011: 22 persons)

## **DIRECTORS' REPORT**

### **Summarised Operating Results**

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

	<b>Revenue</b>
<b>Industry Segment</b>	
Registry Services	\$5,135,444
Investment Income	\$ 218,303

### **Shareholder Returns**

The Board of Directors have approved a 1.85c fully franked dividend which was paid on 20 August 2012.

	<b>2012</b>	<b>2011</b>
Basic earnings per Share	3.73c	4.17c
NTA per share	13.50c	13.00c
Return on Equity	20.07%	22.46%
Return on Assets	18.56%	20.12%

### **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.

## **DIRECTORS' REPORT**

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

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

The Company proposed a fully franked dividend of 1.85 cents per share which was paid on 20 August 2012.

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.

### **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 Company.

#### **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.

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

**DIRECTORS' REPORT**

**Remuneration Report**

<b>Key Management Personnel</b>	<b>Position held as at 30 June 2012 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 10 May 2011. 3 months notice required to terminate
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.

**Table of Benefits and Payments for the Year Ended 30 June 2012**

<b>Key Management Personnel</b>		<b>Short – term benefits</b>		<b>Post-employment benefit</b>	<b>Long – term benefits</b>	<b>Total</b>
		<b>Salary and fees</b>	<b>Profit share and Bonuses</b>	<b>Super-annuation</b>	<b>Long service Leave</b>	
Mr Kim Phin Chong	2012	\$296,255	-	\$15,780	\$4,846	\$316,881
	2011	\$300,495	-	\$15,200	\$4,604	\$320,299
Mr Simon Cato	2012	\$38,000	-	\$12,000	-	\$50,000
	2011	\$34,000	-	\$12,000	-	\$46,000
Mr Alan Winduss	2012	\$30,000	-	-	-	\$30,000
	2011	\$26,000	-	-	-	\$26,000
Mr Alvin Tan	2012	\$30,000	-	-	-	\$30,000
	2011	\$26,000	-	-	-	\$26,000
Total	2012	\$394,255	-	\$27,780	\$4,846	\$426,881
	2011	\$386,495	-	\$27,200	\$4,604	\$418,299

The rights issued under ‘Employee Performance Rights and Share Plan’ were issued to employees other than key management personnel. No performance based remuneration has been, or will be, paid in relation to the year ended 30 June 2012 (2011: Nil). No securities, including options to acquire shares, or performance rights have been or will be issued in relation to any remuneration package of key management personnel for the year ended 30 June 2012 (2011: Nil).

The Company did not receive a “no” vote of 25% or more at its 2011 Annual General Meeting in relation to the resolution relating to the remuneration report.

## **DIRECTORS' REPORT**

### **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**

Non-Audit services provided by the entity's Auditor can be found at Note 5. The Directors are satisfied that the provision of non-audit services is compatible with the standard of independence for auditors imposed by the Corporations Act. The nature and scope of each non-audit service provided means that auditor independence was not compromised.

### **Auditor's Independence Declaration**

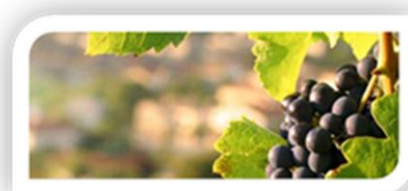
The auditor's independence declaration for period ending 30 June 2012 has been given and can be found on page 14 of this report.

Signed in accordance with a resolution of the Board of Directors



.....  
Simon Cato  
Chairman of Directors

Signed at Perth on 24 September 2012.





Grant Thornton Audit Pty Ltd  
ABN 91 130 913 594  
ACN 130 913 594

10 Kings Park Road  
West Perth WA 6005  
PO Box 570  
West Perth WA 6872

T +61 8 9480 2000  
F +61 8 9322 7787  
E [info.wa@au.gt.com](mailto:info.wa@au.gt.com)  
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 2012, 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.

A stylized signature of the firm Grant Thornton.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature of M J Hillgrove.

M J Hillgrove  
Partner - Audit & Assurance

Perth, 24 September 2012

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

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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012	2011
Sales Revenue	2	5,131,628	5,389,082
Other income	2	222,119	246,477
Occupancy expenses	3	(213,612)	(202,112)
Administrative expenses	3	(1,603,423)	(1,577,994)
Other operating expenses	3	(873,075)	(952,747)
Depreciation and amortisation expenses	3	(291,686)	(288,802)
Profit before income tax		2,371,951	2,613,904
Income tax expense	4	(790,603)	(847,088)
Profit attributable to members		1,581,348	1,766,816
Other comprehensive income		-	-
Total comprehensive income for the year		1,581,348	1,766,816
Basic earnings per share	23	3.73c	4.17c
Diluted earnings per share	23	3.71c	4.17c

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

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2012**

	Notes	2012	2011
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	4,390,638	4,132,162
Trade and other receivables	7	775,655	825,654
Other current assets	8	21,007	25,469
Other financial assets	9	741	741
<b>Total Current Assets</b>		5,188,041	4,984,026
<b>Non-current Assets</b>			
Property, plant and equipment	10	1,094,554	1,159,248
Intangible assets	11	2,154,796	2,354,997
Deferred tax assets	12	83,523	69,505
Total Non-current Assets		3,332,873	3,583,750
<b>TOTAL ASSETS</b>		8,520,914	8,567,776
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	268,218	254,054
Current tax liabilities	12	172,756	266,962
Provisions	14	157,424	137,510
<b>Total Current liabilities</b>		598,398	658,526
<b>Non-current liabilities</b>			
Provisions	14	32,446	18,742
Deferred tax liabilities	12	10,941	24,615
Total Non-current liabilities		43,387	43,357
<b>TOTAL LIABILITIES</b>		641,785	701,883
<b>NET ASSETS</b>		7,879,129	7,865,893
<b>EQUITY</b>			
Issued Capital	15	6,840,044	6,840,044
Retained earnings		960,381	1,011,435
Reserves		78,704	14,414
<b>TOTAL EQUITY</b>		7,879,129	7,865,893

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

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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	<b>Issued Capital</b>	<b>Retained Earnings</b>	<b>Employee Rights Reserve</b>	<b>Total Equity</b>
<b>Balance at 1 July 2010</b>	5,840,044	813,418	-	6,653,462
Total comprehensive income for the year	-	1,766,816	-	1,766,816
<b>Transactions with owners, in their capacity as owners, and other transfers</b>				
Shares issued during the year	1,000,000	-	-	1,000,000
<b>Other</b>				
Increase on issue of Employee Rights	-	-	14,414	14,414
<b>Subtotal</b>	6,840,044	2,580,234	14,414	9,434,692
Dividends paid	-	(1,568,799)	-	(1,568,799)
<b>Balance at 30 June 2011</b>	6,840,044	1,011,435	14,414	7,865,893
<b>Balance at 1 July 2011</b>	6,840,044	1,011,435	14,414	7,865,893
Total comprehensive income for the year	-	1,581,348	-	1,581,348
<b>Other</b>				
Increase on issue of Employee Rights	-	-	64,290	64,290
<b>Subtotal</b>	6,840,044	2,592,783	78,704	9,511,531
Dividends paid	-	(1,632,402)	-	(1,632,402)
<b>Balance at 30 June 2012</b>	6,840,044	960,381	78,704	7,879,129

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

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

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012	2011
<b>Cash flows from operating activities</b>			
Receipts from customers		5,640,432	5,809,384
Payment to suppliers and employees		(3,077,781)	(3,285,650)
Interest received		263,842	154,971
Income tax paid		(912,501)	(715,974)
<b>Net cash flows provided by operating activities</b>	16	1,913,992	1,962,731
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(26,791)	(980,015)
<b>Net cash flows used in investing activities</b>		(26,791)	(980,015)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	1,000,000
Repayment of borrowings		-	374
Dividends paid		(1,628,725)	(1,565,080)
<b>Net cash flows used in financing activities</b>		(1,628,725)	(564,706)
<b>Net increase in cash and cash equivalents</b>		258,476	418,010
<b>Cash and cash equivalents at the beginning of the year</b>		4,132,162	3,714,152
<b>Cash and cash equivalents at the end of the year</b>	6	4,390,638	4,132,162

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

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

**Note 1: Summary 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.

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

**a. Income Tax**

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

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

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

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

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

Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to

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

apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

**b. Property, Plant and Equipment**

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

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against fair value reserves directly in equity; all other decreases are recognised in profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

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

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

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 statement of comprehensive income during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land and leasehold improvements, is depreciated on a diminishing value basis over the asset's useful life to the 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:

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

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

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

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

**c. Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, is transferred to the 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.

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

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

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

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

**d. Financial Instruments**

**Initial recognition and Measurement**

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

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

**Classification and Subsequent Measurement**

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair* value represents the amount for which an asset could be 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.



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

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

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

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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

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

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

(v) *Financial Liabilities*

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

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

**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 statement of comprehensive income. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

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

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

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

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

**Financial guarantees**

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

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

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

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

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

**De-recognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the 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.

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

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

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

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

**f. Intangibles**

**Goodwill**

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. After considering the ongoing

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

business operations and anticipated business growth of the Company, it has been determined that the goodwill acquired and currently recorded has an indefinite life.

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

**Client List**

The client list was acquired at independent valuation as part of the acquisition of the share registry business. The valuation was based upon the expected future earnings of the client contracts already in existence at the time of the transfer of the business. The effective life of the client list has been determined to be 10 years, and will be amortised over that period. The remaining effective life is 5.5 years. Annual testing for impairment will also be carried out to determine whether the carrying value reflects the value remaining in the client list. Where it is determined that the carrying value has been impaired, an impairment adjustment will be made. The client list is therefore carried at cost less accumulated amortisation and accumulated impairment losses.

**g. Employee Benefits**

Provision is made for the 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 cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

**Equity-settled compensation**

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

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

**h. 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. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**i. Cash and Cash Equivalents**

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

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

**j. Revenue and Other Income**

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

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

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

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

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

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

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

**l. Business Combinations**

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

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

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

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

**m. Comparative Information**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the company has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

**n. Critical Accounting Estimates and Judgments**

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

*(i) Impairment – general*

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

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

The 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

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

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 2012. The assumptions used in the estimation of recoverable amount are disclosed in Note 11.

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

The 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.

*(ii) Impairment – carbon price*

There is presently uncertainty in relation to the impacts of the carbon pricing mechanism recently introduced by the Australian Government. This carbon pricing system could potentially affect the assumptions underlying value-in-use calculations used for asset impairment testing purposes. The Company has not incorporated the effect of any carbon price implementation in its impairment testing at 30 June 2012.

*Key judgments – Provision for Impairment of Receivables*

Included in trade receivables at reporting date are minor amounts receivable from services provided to clients amounting to \$28,834. 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.

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

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

- AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2015).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.



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

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss. The Company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.
- AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Company.



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

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009–11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Company has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Company.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Company.

- AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

The key changes made to accounting requirements include:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

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

- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the Company.

- AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Company.

- AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) for an offer that may be withdrawn – when the employee accepts;
- (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Company has not yet been able to reasonably estimate the impact of these changes to AASB 119.

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

	<b>Notes</b>	<b>2012</b>	<b>2011</b>
<b>Note 2: Revenue</b>			
<b>Revenue</b>			
Registry fees		4,239,562	4,306,266
Client disbursements recovered		892,066	1,082,816
Total Revenue		5,131,628	5,389,082
<b>Other income</b>			
Interest received		218,261	219,336
Other income		3,816	27,116
Dividends received		42	25
		222,119	246,477

**Note 3: Profit from ordinary activities**

<b>Expenses</b>			
Depreciation of non-current assets		91,485	88,601
Amortisation of non-current assets, client list		200,201	200,201
Professional fees		37,072	28,273
Occupancy expenses		213,612	202,112
Directors' fees		98,000	86,000
Salaries and wages		1,142,626	1,111,220
Superannuation		102,253	98,015
Postage, printing and stationery		799,820	864,171
Employee Performance rights		64,290	14,414
Other expenses		232,437	328,648
		2,981,796	3,021,655

**Note 4: Income tax**

a. The components of tax expense comprise:

Current tax		814,801	848,631
Deferred tax	12	(27,692)	(1,543)
Under provision for income tax		3,494	-
		790,603	847,088

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

	<b>Notes</b>	<b>2012</b>	<b>2011</b>
b. Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate			
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the company's applicable income tax rate is as follows:			
Total accounting profit before income tax		711,585	784,171
At the company's statutory income tax rate of 30% (2011:30%)			
Non deductible amortisation		60,060	60,060
Other non-allowable items		1,427	10,147
Share based payments		19,287	4,324
Deductible amount for share issue		(11,603)	(11,603)
Under provision of income tax		3,494	-
Non deductible building depreciation		6,366	-
Rebateable fully franked dividends		(13)	(11)
Aggregate income tax expense		790,603	847,088
The applicable weighted average effective tax rate is:		33.33%	32.40%

**Note 5: Auditor's Remuneration**

Remuneration of the auditor of the Company for:

- audit of the financial report	34,072	25,273
- audit of Share Registry Function for ASX requirements.	3,000	3,000
	37,072	28,273

**Note 6 : Cash and cash equivalents**

**Current**

Cash at Bank and on hand	1,326,638	1,068,162
Cash on deposit	3,064,000	3,064,000
	4,390,638	4,132,162

The effective interest rate on short-term bank deposits was 4.74%; these deposits have a maturity of 180 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 separate deposit account and the guarantee is renewed in each year.

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

	Notes	2012	2011
<b>Note 7: Trade and other receivables</b>			
<b>Current</b>			
Trade receivables		734,188	733,194
Provision for impairment		(28,834)	(24,482)
		705,354	708,712
Other receivables		70,301	116,942
		775,655	825,654

**a. Provision For Impairment of Receivables**

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

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

	<b>Current trade receivables</b>	<b>Totals</b>
<b>Opening Balance as at 1 July 2010</b>	2,698	2,698
Charge for the year	21,784	21,784
Amounts written off	-	-
<b>Closing Balance as at 30 June 2011</b>	24,482	24,482
<b>Opening Balance as at 1 July 2011</b>	24,482	24,482
Charge for the year	13,319	13,319
Amounts written off	(8,967)	(8,967)
<b>Closing Balance as at 30 June 2012</b>	28,834	28,834

**Credit Risk – Trade and Other Receivables**

The Company has no significant concentration of credit risk with respect to any single counter party or Company 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.

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

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

		<b>Past Due but Not Impaired (Days Overdue)</b>					<b>Within Initial Trade Terms</b>
	<b>Gross Amount</b>	<b>Past Due and Impaired</b>	<b>&lt; 30</b>	<b>31- 60</b>	<b>61 – 90</b>	<b>&gt; 90</b>	
<b>2012</b>							
Trade and term receivables	734,188	28,834	-	51,952	40,982	58,053	554,367
Other receivables	70,301	-	-	-	-	-	70,301
<b>Total</b>	<b>804,489</b>	<b>28,834</b>	<b>-</b>	<b>51,952</b>	<b>40,982</b>	<b>58,053</b>	<b>624,668</b>

		<b>Past Due but Not Impaired (Days Overdue)</b>					<b>Within Initial Trade Terms</b>
	<b>Gross Amount</b>	<b>Past Due and Impaired</b>	<b>&lt; 30</b>	<b>31- 60</b>	<b>61 – 90</b>	<b>&gt; 90</b>	
<b>2011</b>							
Trade and term receivables	733,194	24,482	-	10,810	5,434	11,552	680,916
Other receivables	116,942	-	-	-	-	-	116,942
<b>Total</b>	<b>850,136</b>	<b>24,482</b>	<b>-</b>	<b>10,810</b>	<b>5,434</b>	<b>11,552</b>	<b>797,858</b>

<b>Note 8: Other assets</b>	<b>2012</b>	<b>2011</b>
<b>Current</b>		
Prepayments	21,007	25,469

**Note 9: Other Financial Assets**

<b>Current</b>			
Financial assets at fair value through profit or loss	9 (a)	741	741
		741	741
- <b>Financial assets at fair value through profit or loss:</b>			
Held-for-trading Australian listed shares		741	741

Shares held for trading are traded for the purpose of short-term profit taking. Changes in fair value are included in the statement of comprehensive income

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

	Notes	2012	2011
<b>Note 10: Property, Plant and Equipment</b>			
Buildings – at cost		848,827	848,827
Accumulated depreciation		(32,849)	(11,628)
		815,978	837,199
Leasehold improvements – at cost		77,529	77,529
Accumulated depreciation		(8,256)	(6,352)
		69,273	71,177
Plant and equipment – at cost		471,203	487,642
Accumulated depreciation		(261,900)	(236,770)
		209,303	250,872
Total property, plant and equipment		1,094,554	1,159,248

**a. Movements in Carrying Amounts**

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

	Buildings	Leasehold Improvements	Plant & Equipment	Total
Balance at 1 July 2010	-	73,081	194,753	267,834
Additions	848,827	-	131,188	980,015
Depreciation Expense	(11,628)	(1,904)	(75,069)	(88,601)
<b>Balance at 30 June 2011</b>	837,199	71,177	250,872	1,159,248
Additions	-	-	26,791	26,791
Depreciation Expense	(21,221)	(1,904)	(68,360)	(91,485)
<b>Balance at 30 June 2012</b>	815,978	69,273	209,303	1,094,554

**Note 11: Intangible Assets**

Goodwill – at cost	1,053,690	1,053,690
Net carrying amount	1,053,690	1,053,690
Client book acquired – at cost	2,002,010	2,002,010
Accumulated amortisation	(900,904)	(700,703)
Net carrying amount	1,101,106	1,301,307
Total intangibles	2,154,796	2,354,997

The client list acquired is amortised over its effective life, determined to be 10 years. The remaining amortisation period is 5.5 years. (Refer Note 1 f)

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

**a. Movements in Carrying Amounts**

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

	<b>Goodwill</b>		<b>Client Book Acquired</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Opening balance	1,053,690	1,053,690	1,301,307	1,501,508	2,354,997	2,555,198
Amortisation expense	-	-	(200,201)	(200,201)	(200,201)	(200,201)
Balance at 30 June	1,053,690	1,053,690	1,101,106	1,301,307	2,154,796	2,354,997

**Impairment Disclosures**

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

Share registry	1,053,690
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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 a risk-free available interest rate, adjusted for an estimated risk premium, 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%	13%

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.

	Notes	2012	2011	
<b>Note 12: Tax</b>				
<b>Current</b>				
Income tax payable		172,756	266,962	
<b>Non- Current</b>				
	Opening Balance	Charged to Income	Charged Directly to Equity	Closing Balance
<b>Deferred Tax Liability</b>				
Accrued Income	5,306	19,309	-	24,615
<b>Balance at 30 June 2011</b>	5,306	19,309	-	24,615
Accrued Income	24,615	(13,674)	-	10,941
<b>Balance at 30 June 2012</b>	24,615	(13,674)	-	10,941



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

**Deferred Tax Assets**

Provisions and Accrued

Expenses	48,652	20,853	-	69,505
<b>Balance at 30 June 2011</b>	<b>48,652</b>	<b>20,853</b>	<b>-</b>	<b>69,505</b>

Provisions and Accrued

Expenses	69,505	14,018	-	83,523
<b>Balance at 30 June 2012</b>	<b>69,505</b>	<b>14,018</b>	<b>-</b>	<b>83,523</b>

	<b>Notes</b>	<b>Statement of financial position 2012</b>	<b>2011</b>
Deferred income tax at 30 June relates to the following:			
<i>i) Deferred tax liabilities</i>			
Accrued income		10,941	24,615
Net deferred tax liabilities		10,941	24,615
<i>ii) Deferred tax assets</i>			
Superannuation liability		7,024	51
Accruals		14,375	17,619
Provisions:			
Doubtful debts		8,650	7,345
Long service leave		9,734	5,622
Annual leave		40,740	35,868
Other		3,000	3,000
Net deferred tax assets		83,523	69,505

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

	<b>Notes</b>	<b>2012</b>	<b>2011</b>
<b>Note 13: Trade and other payables</b>			

**Current**

Trade creditors and accruals	268,218	254,054
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	<b>Employee Benefits</b>	<b>Provision for Dividend</b>	<b>Other</b>	<b>Total</b>
<b>Note 14: Provisions</b>				
Opening balance at 1 July 2011	138,302	7,950	10,000	156,252
Additional provisions	29,944	3,674	-	33,618
Balance at 30 June 2012	168,246	11,624	10,000	189,870

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

**Analysis of total provisions**

<b>Current liabilities – provisions</b>	<b>Notes</b>	<b>2012</b>	<b>2011</b>
Annual leave		135,800	119,560
Provision for dividend		11,624	7,950
Other		10,000	10,000
		<u>157,424</u>	<u>137,510</u>
<b>Non-current liabilities - provisions</b>			
Long service leave		<u>32,446</u>	<u>18,742</u>

**Nature and timing of provisions**

*i) Other Provisions*

This provision relates to minor amounts arising from the operations of the Company for which a liability can be measured, and where it is probable that the liability will need to be satisfied at an unspecified and uncertain future date. The amount provided is the maximum anticipated liability of the Company where the amount ultimately becomes payable. Future recognition of the provision is reliant upon the circumstances associated with the Company's operations.

**Note 15: Issued Capital**

42,400,000 (2011 : 42,400,000) fully paid ordinary shares)	6,840,044	6,840,044
	<b>2012</b>	<b>2011</b>
	<b>No.</b>	<b>No.</b>
<b>a. Ordinary Shares</b>		
At the beginning of the reporting period	42,400,000	40,400,000
Shares issued during the year 8 July 2010	-	2,000,000
At reporting date	42,400,000	42,400,000

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.

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

**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.

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 16: Cash flow information**

**Notes**

**2012**

**2011**

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

Profit after income tax	1,581,348	1,766,816
Non cash flows in profit:		
Amortisation	200,201	200,201
Depreciation	91,485	88,601
	<u>1,873,034</u>	<u>2,055,618</u>
Changes in equity as a result of adjustments in reserves	64,290	14,414
Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	49,997	(174,758)
(Increase)/decrease in prepayments	4,462	(18,577)
Increase/(decrease) in trade payables and accrual	14,163	(101,272)
Increase/(decrease) in income taxes payable	(94,206)	132,658
Increase/(decrease) in deferred taxes payable	(27,692)	(1,545)
Increase/(decrease) in provisions	29,944	56,193
	<u>1,913,992</u>	<u>1,962,731</u>

**Non -cash financing and investing activities**

Share-based payments

17

64,290

14,414

**Note 17: Share-based Payments**

Under the Company's Employee Performance Rights and Share Plan ("the Plan"), eligible employees are offered Performance Rights which contain performance and other conditions that must be met by

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

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

<b>Grant Date</b>	<b>Number</b>	<b>Exercise Date</b>
1 January 2011	113,000	1 January 2013
1 July 2011	119,000	1 July 2013
1 January 2012	88,000	1 January 2014

On 1 July 2011 and 1 January 2012, the Company granted further performance rights to eligible employees as noted in the table above. The performance rights vest to the employees on the dates indicated at which time the employee can apply to convert the rights to ordinary shares for nil consideration. The performance rights hold no voting or dividend rights and are not transferable. No performance rights were granted to key management personnel.

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

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

	<b>Number</b>	<b>Weighted Average Exercise Price</b>
<b>Performance rights outstanding as at 30 June 2010</b>	-	-
Granted	113,000	\$0
Forfeited	(14,000)	\$0
Exercised	-	-
Expired	-	-
<b>Performance rights outstanding as at 30 June 2011</b>	99,000	\$0
Granted	207,000	\$0
Forfeited	(39,000)	\$0
Exercised	-	-
Expired	-	-
<b>Performance rights outstanding as at 30 June 2012</b>	267,000	\$0

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

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

The weighted average remaining contractual life of rights outstanding at year-end was 1 year. The exercise price of outstanding rights at the end of the reporting period was nil.

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

Weighted average exercise price: Nil

Weighted average life of the rights: 2 years

Expected share price volatility: Nil

Risk-free interest rate: 4.25 %

As employees do not contribute to the cost of the share movement, volatility of the share price has been ignored.

The life of the rights is based on the historical exercise patterns, which may not eventuate in the future.

Included under employee benefits expense in the statement of comprehensive income is \$64,290 which relates to equity-settled share-based payment transactions (2011: \$14,414).

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

**a. Proposed dividend**

The Directors proposed that a dividend of 1.85 cents per share fully franked be paid out of the current year earnings. This dividend was paid on 20 August 2012.

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.

**Note 19: Capital and leasing commitments**

**Non-cancellable operating lease commitments**

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

	<b>2012</b>	<b>2011</b>
- not later than 12 months	146,320	135,549
- between 12 months and 5 years	61,950	202,830
- later than 5 years	-	-
	<u>208,270</u>	<u>338,379</u>

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

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. The Company decided to exercise the option to renew the lease at the end of the 3 year term for an additional 3 years.

**Note 20: Contingent Liabilities**

The Company has no known or identifiable contingent liabilities.

**Note 21: Financial Risk Management**

**Financial Instruments**

**Categories of Financial Instruments**

	Notes	2012	2011
<b>Financial assets</b>			
Cash and cash equivalents		4,390,638	4,132,162
Loans and receivables		775,655	825,654
<i>Financial assets at fair value through profit or loss</i>			
Investments – held-for-trading		741	741
<b>Total financial assets</b>		5,167,034	4,958,557
<b>Financial liabilities (at amortised cost)</b>			
Payable and borrowings		268,218	254,054
<b>Total financial liabilities</b>		268,218	254,054

**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 | - investments      |
| - trade and other payables | - 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.

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

**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.

*Credit risk exposures*

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

There is no material amounts of collateral held as security at 30 June 2012.

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

	<b>2012</b>	<b>2011</b>
Trade debtors	705,354	708,712

**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.

**ADVANCED SHARE REGISTRY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

*Financial liability and financial asset maturity analysis*

	<b>Within 1 Year</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Financial liabilities due for payment</b>				
Trade and other payables	268,218	254,054	268,218	254,054
Total expected outflows	268,218	254,054	268,218	254,054

**Financial assets – cash flows realisable**

Cash and cash equivalents	4,390,638	4,132,162	4,390,638	4,132,162
Trade, term and loans receivables	775,655	825,654	775,655	825,654
Held-for-trading investments	741	741	741	741
Total anticipated inflows	5,167,034	4,958,557	5,167,034	4,958,557
<b>Net (outflow)/ inflow on financial instruments</b>	<b>4,898,816</b>	<b>4,704,503</b>	<b>4,898,816</b>	<b>4,704,503</b>

**Financial arrangements**

Nil at balance date.

**d. Market risk**

*Interest rate risk*

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

The 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.

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

<b>Maturity of notional amounts:</b>	<b>Effective Average Fixed Interest Rate Payable</b>		<b>Notional Principal</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Less than 1 year	4.03%	4.59%	5,166,292	4,957,816
	4.03%	4.59%	5,166,292	4,957,816

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



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

**Fair Values**

The fair values of:

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

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

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

	<b>Carrying Amount</b>		<b>Net Fair Value</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Financial Assets:</b>				
Cash and cash equivalents	4,390,638	4,132,162	4,390,638	4,132,162
Receivables	775,655	825,654	775,655	825,654
Investments – held-for-trading	741	741	741	741
<b>Total Financial Assets</b>	<b>5,167,034</b>	<b>4,958,557</b>	<b>5,167,034</b>	<b>4,958,557</b>
<b>Financial Liabilities:</b>				
Trade and sundry payables	268,218	254,054	268,218	254,054
<b>Total Financial Liabilities</b>	<b>268,218</b>	<b>254,054</b>	<b>268,218</b>	<b>254,054</b>

*Financial Instruments Measured at Fair Value*

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

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

**2012**

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

**2011**

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

**ADVANCED SHARE REGISTRY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

*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*

	2012	2011
Change in profit		
- Increase in interest rate by 2%	88,000	80,000
- Decrease in interest rate by 2%	(88,000)	(80,000)
Change in equity		
- Increase in interest rate by 2%	88,000	80,000
- Decrease in interest rate by 2%	(88,000)	(80,000)

**Note 22: 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.

**Executive Services Agreements**

**- Kim Chong**

The Company entered into a services agreement with Mr Kim Chong effective from 11 May 2011. 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 \$315,700, inclusive of statutory superannuation. Mr Chong will also be reimbursed for reasonable expenses incurred in carrying out his duties.

The Services Agreement continues for a period of 3 years 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 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 2012 for accounting and secretarial services, was \$61,098 including GST (2011:\$67,048). The amount owing to Winduss & Associates Pty Ltd at 30 June 2012 is \$4,767 (2011: \$4,583).

**ADVANCED SHARE REGISTRY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

**Tenancy Agreement**  
**- Cherry Field Pty Ltd**

The Company required an additional area to assist in operations during the period. On 1 November 2009, the Company entered into a lease agreement with Cherry Field Pty Ltd, a Company owned and controlled by an associate of Mr Chong. The agreement has been concluded on a commercial monthly tenancy basis. The Company has incurred \$21,240 for the year ended 30 June 2012 under this agreement. (2011: \$21,240)

	<b>Notes</b>	<b>2012</b>	<b>2011</b>
<b>Note 23: Earnings per share</b>			
<b>Earnings used in the calculation of EPS</b>			
Profit		1,581,348	1,766,816
<b>Earnings per share</b>			
Basic earnings per share		3.73c	4.17c
Diluted earnings per share		3.71c	4.17c
		<b>No</b>	<b>No</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS		42,583,000	42,361,164
Weighted average number of dilutive rights outstanding		41,770	14,707
Weighted average number of ordinary shares used - in calculating diluted EPS		<u>42,624,770</u>	<u>42,375,871</u>

**Note 24: Operating Segments**

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

	<b>30 June 2012</b>	<b>30 June 2011</b>
<b>Revenue by geographical region</b>		
Australia	<u>5,353,747</u>	<u>5,635,559</u>
<b>Assets by geographical region</b>		
Australia	<u>8,520,914</u>	<u>8,567,776</u>

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

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

**Major customers**

The Company has a number of customers to whom it provides services. Although the Company has no single external customer that accounts for more than 5% of its income, a group of 8 customers, each exceeding 2% of the Company's income, accounts for approximately 20% (2011: 5 customers each exceeding 2% of the Company's income accounted for 13%) of the Company's income.

	Notes	2012	2011
<b>Note 25: Dividends</b>			
Distributions paid			
Final dividend fully franked of 2 cents (2011: 1.85 cents) per share franked at the tax rate of 30% (2011: 30%)		848,000	784,400
Interim dividend fully franked of 1.85 cents (2011: 1.85 cents) per share franked at the tax rate of 30% (2011: 30%)		784,400	784,400
		1,632,400	1,568,800
a. Proposed final 2012 fully franked dividend of 1.85 cents (2011: 2 cents) per share franked at the tax rate of 30% (2011: 30%)		784,400	848,000
b. Balance of franking account at year end adjusted for franking credits arising from:			
- Payment of provision for income tax		842,994	725,022
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:		(336,171)	(363,429)

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

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2012.

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

	2012	2011
Short -term employee benefits	394,255	386,495
Post-employment benefits	27,780	27,200
Long -term benefits	4,846	4,604
	426,881	418,299

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

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

**KMP Shareholdings**

The number of ordinary shares in the Company held by each KMP of the Company during the financial year is as follows:

<b>30 June 2012</b>	<b>Balance at start of year</b>	<b>Issued during the year</b>	<b>Purchased/(sold) during the year</b>	<b>Balance at the end of the year</b>
S. Cato	495,000	-	-	495,000
K. Chong	23,809,500	-	-	23,809,500
A. Tan	470,500	-	-	470,500
A. Winduss	200,000	-	-	200,000
	<u>24,975,000</u>	<u>-</u>	<u>-</u>	<u>24,975,000</u>

<b>30 June 2011</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	25,809,500	-	(2,000,000)	23,809,500
A. Tan	470,500	-	-	470,500
A. Winduss	200,000	-	-	200,000
	<u>26,975,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>24,975,000</u>

No shares or performance rights have been issued as remuneration to any key management personnel of the Company.

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

**Directors Declaration**

1. In the opinion of the Directors of Advanced Share Registry Limited (the 'Company'):
  - (a) the financial statements and notes set out on pages 15 to 51 and the Remuneration disclosures that are contained in pages 10 to 13 of the Remuneration Report in the Director's Report, are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance , for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
    - (iii) complying with International Financial Reporting Standards as disclosed in Note 1.
  - (b) the remuneration disclosures that are contained in pages 10 to 13 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standards AASB 124 Related Party Disclosures and
  - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Directors.



.....  
Simon Cato  
Chairman of Directors

Signed at Perth on 24 September 2012

Grant Thornton Audit Pty Ltd  
ABN 91 130 913 594  
ACN 130 913 594

10 Kings Park Road  
West Perth WA 6005  
PO Box 570  
West Perth WA 6872

T +61 8 9480 2000  
F +61 8 9322 7787  
E [info.wa@au.gt.com](mailto:info.wa@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

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

**Report on the financial report**

We have audited the accompanying financial report of Advanced Share Registry Limited (the "Company"), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

**Directors responsibility for the financial report**

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

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Auditor's opinion**

In our opinion:

- a the financial report of Advanced Share Registry Limited is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

**Report on the remuneration report**

We have audited the remuneration report included in pages 11 to 12 of the directors' report for the year ended 30 June 2012. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.





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

In our opinion, the remuneration report of Advanced Share Registry Limited for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

A stylized, handwritten signature of the Grant Thornton firm, written in black ink.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature of M J Hillgrove, written in black ink.

M J Hillgrove  
Partner - Audit & Assurance

Perth, 24 September 2012

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

**SHAREHOLDER INFORMATION**  
**(Current as at 11 September, 2012)**

**A. Substantial Shareholders**

Name	Number of Shares	Percentage of Issued Capital
KMC Automation Pty Ltd	23,809,500	56.15
Washington H Soul Pattinson and Company Ltd	4,292,726	10.12
Link Market Services Ltd	4,104,827	9.68

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

i) Distribution Schedule of Holdings	Holders	Number of Shares	Percentage of Issued Capital
1-1,000	32	13,580	0.032
1,001-5,000	126	470,426	1.109
5,001-10,000	91	831,630	1.961
10,001-100,000	187	5,404,580	12.747
100,001 and over	25	35,679,784	84.150
Total number of holders	461	42,400,000	100.00
ii) Holding less than a marketable parcel	22		

C. Twenty Largest Shareholders	Number of Shares	Percentage of Issued Capital
1 KMC Automation Pty Ltd	23,809,500	56.15
2 Washington H Soul Pattinson and Company Ltd	4,292,726	10.12
3 Pacific Custodians Pty Ltd	3,459,777	8.16
4 The Australian Superannuation Group (WA) Pty Ltd	645,050	1.52
5 J Davidson & E Davidson	345,943	0.81
6 S K Cato	250,000	0.59
7 Stedcorp Pty Ltd, <Vaughan Family Super Fund A/C>	214,037	0.50
8 AquadeneWealth Pty Ltd	212,000	0.50
9 Senorita Pty Ltd	205,000	0.48
10 Ostle Investments Pty Ltd, <Tan Family Super Fund A/C>	200,000	0.47
11 Alberta Resources Pty Ltd, <British Columbia S/F A/C>	200,000	0.47
12 A C Winduss	200,000	0.47
13 J M Molyneux & W A Hutchison & J E Hutchison<Hutchison Family Super A/C>	170,695	0.40
14 Tim National Pty Ltd	152,000	0.35
15 R G Morris & M J Morris<Blythewood Super Fund>	150,000	0.35
16 Rosemont Asset Pty Ltd	125,000	0.29
17 Batten Resources Pty Ltd<Batten Super Fund>	125,000	0.29
18 J D Mckay & C L Brittain <The John Mckay Super Fund>	125,000	0.29
19 United Overseas Australia Ltd	125,000	0.29
20 Yonatan Widjaya & Mela Widjaya	122,592	0.28

**D. Restricted Securities**

There were no securities under escrow at 30 June 2012 or 30 June 2011.

**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.

@advancedshare.com.au

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**ABN: 14 127 175 946**

**Contact us:**

Western Australia  
PO Box 1156  
Nedlands  
WA 6009  
(618) 9389 8033

New South Wales  
PO Box Q1736  
Queen Victoria Building  
NSW 1230  
(612) 8096 3502