

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

ANNUAL REPORT 2014.



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

110 Stirling Highway
Nedlands WA 6009
Telephone: +61 8 9389 8033
Facsimile: +61 8 9262 3723
Website: www.advancedshare.com.au
Email: admin@advancedshare.com.au

Share Registry

Advanced Share Registry Services

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Nedlands WA 6009
Telephone: +61 8 9389 8033
Facsimile: +61 8 9262 3723
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Email: Admin@advancedshare.com.au

Sydney Office

Level 6
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Sydney NSW 2000
Telephone: +61 2 8096 3502
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Auditors

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

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Solicitors

Kott Gunning
Level 8, AMP Building
140 St Georges Terrace
PERTH WA 6000

FROM THE CHAIRMAN

Dear Shareholder,

On behalf of the Board of Advanced Share Registry Limited (**Group**), I am pleased to send to you this Annual Report for the financial year to 30 June 2014.

This year, as previous years remained extremely challenging. In the context of this difficult time we are pleased to report a continuing significant profit for the period and the declaration and payment of a franked dividend of 1.85 cents per share (1.85 cents final dividend and a 0.15 cents special last corresponding period) for the 6 month period to 30 June 2014 and therefore a total dividend over the year of 3.7c. This reflects the board policy of returning profits to shareholders as we have a significant cash balance and no debt.

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

The significant event of the year was the move to purpose built premises at 110 Stirling Highway, Nedlands. A large open plan office, ample parking bays and the dedicated printing and finishing facility with easy roll in, roll out access to service vehicles has made the whole business more efficient. The capital costs of all equipment was paid out of cash flow.

The full benefit of the installation of in house printing, folding and enveloping equipment that will be impacting this year, especially in the busy September to November period. We can now in-house print and finish high quality colour documents, then automatically envelope and pre-sort for the post office. This gives all clients certainty that deadlines will be met and that security of information can be maintained.

Following the successful implementation of the new shareholder meeting management system to streamline shareholder registration and voting at meetings, we are developing a new suite of applications to provide companies and their client shareholders graphic information as well as the regular tabular data.

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

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



.....
Simon Cato
Chairman

DIRECTORS' REPORT

The Directors present their report, together with the financial report of the Group for the year ended 30 June 2014 and the auditor's report thereon.

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

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

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

Simon Kenneth Cato

Qualifications

Experience

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

Interest in Shares & Options

Special Responsibilities

Directorships held in other listed entities

- 495,000 ordinary shares, nil options
- Mr Cato is the non executive chairman of the Group
- Mr Cato is a director of Greenland Minerals and Energy Ltd (since 21 February 2006).

Former directorships in other listed entities in past 3 years are: Convergent Minerals Ltd (25 July 2007 to 19 December 2011), Queste Communications Ltd (6 February 2008 to 3 April 2013) and Transactions Solutions International Ltd (from 26 February 2010 to 30 August 2013).

Kim Phin Chong

Experience

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

DIRECTORS' REPORT

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

Interest in Shares & Options
Special Responsibilities

- 23,809,500 ordinary shares, nil options
- Mr Chong is the managing director of the Group, responsible for the day to day management of the business.

Directorships held in other
listed entities

- Nil

Alvin Tan
Qualifications
Experience

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

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

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

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

Interest in Shares & Options
Directorships held in other
listed entities

- 510,500 ordinary shares, nil options.
- Mr Tan is a director of Coral Sea Petroleum Limited (formally Orchid Capital Limited since 2000) and BKM Management Ltd (since 2002).

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

Alan Charles Winduss
Qualifications
Experience

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

Mr Winduss is a director of Winduss & Associates Pty Ltd. He has been involved in professional accounting in public practice for over 25 years, specialising in matters relating to corporate management, restructuring, corporate finance and company secretarial matters, including ASX and ASIC compliance.

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

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). |

Former directorships in other listed entities in past 3 years are: IFS Construction Services Ltd, ASX Listed (20 June 2012 to 27 July 2012), Quest Minerals Limited (Chairman) ASX Listed (from August 2008 to April 2013), Black Ridge Mining NL (Chairman) ASX Listed (from February 2011 to April 2013), Magna Mining Limited ASX Listed (from September 2009 to April 2013).

The Year under Review

In financial year to 30 June 2014 the Group achieved gross sales of \$5,173,083 and a profit before taxation of \$2,335,397.

This profit was after charges of \$277,618 for amortisation and depreciation.

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

The Group paid a final dividend of 1.85c per share from 2014 operating profits on 20 August, 2014.

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

Directors' Meetings

<u>Director</u>	<u>Board Meetings Held</u>	<u>Board Meetings Attended</u>
S. Cato	8	8
K. Chong	8	7
A. Tan	8	8
A. Winduss	8	7

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 2014.

DIRECTORS' REPORT

The Board of Directors

The Board's primary role is to guide and monitor the business and affairs of the Group 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 Group 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 Group 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 Group's Board is determined by the following principles:

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

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

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

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

- less than 10% of the Group shares held by the Director and any entity or individual directly or indirectly associated with the Director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the Director; and

DIRECTORS' REPORT

- none of the Directors' income, or the income of an individual or entity directly or indirectly associated with the Director, is derived from a contract with any member of the Economic Entity other than the income derived as a Director of the entity.

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

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

Nomination Committee

The Board believes that the Group is not of size, nor are its financial affairs of such complexity, to justify the establishment of a 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 annually review the necessity to establish a Nomination Committee.

Remuneration Committee

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

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

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

The total maximum remuneration of Non-Executive Directors was the subject of a Shareholder resolution in accordance with the Group's Constitution, the Corporations Act and the ASX Listing Rules, as

DIRECTORS' REPORT

applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board, having regard to inputs and value to the Group of the responsible contributions by each Non-Executive Director. The current limit, which may only be varied by Shareholders in general meeting, is an aggregate amount of \$250,000 per annum.

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

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

Performance Evaluation

No formal performance evaluation of the Board was conducted for the year ended 30 June 2014 as the Board believes that the Group is not of size, nor are its financial affairs of such complexity, to warrant such an exercise. No external remuneration consultants were engaged by the Group during the year.

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 Group 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.

The Board will annually 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 Group, it is also mindful of its responsibility that the Group complies with the Corporations Act 2001 pertaining to 'insider trading' and its 'proper duties in relation to the use of insider trading'.

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

DIRECTORS' REPORT

Diversity Policy

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

Total female employees are 10 which is 53 % of all employees.

Total female senior executives, nil.

Total female board members, nil.

Other Information

Further information relating to the Group's Corporate Governance practices and policies has been made publicly available on the Group's website 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	7 years
K. Chong	7 years
A. Tan	7 years
A. Winduss	7 years

Information Distributed to Shareholders

The annual report is distributed to all shareholders. The Board ensures that the annual report contains relevant information about the operations of the Group in the period under review, changes in the state of affairs of the Group and other disclosures as required by the Corporations Act 2001 and Australian Securities Exchange Listing Requirements.

The half yearly report is distributed to shareholders on request.

DIRECTORS' REPORT

Interests in the Shares of the Group

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

	Ordinary Shares	
	Direct	Indirect
S. Cato	350,000	145,000
K. Chong	-	23,809,500
A. Tan	-	510,500
A. Winduss	200,000	-

Earnings per Share

Basic Earnings per Share	3.68 cents
Diluted Earnings per Share	3.68 cents

Dividends Paid or Recommended	Cents per share	Total
Final dividend – 20 August 2013 (Ordinary 1.85c and special 0.15c)	2c	\$851,020
Interim dividend paid – 07 February 2014	1.85c	\$788,405
Final dividend – 20 August 2014	1.85c	\$788,405

Nature of Operations and Principal Activities

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

Employees

The Group employed 19 persons as at 30 June 2014. (2013: 19 persons)

Summarised Operating Results

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

	Revenue
Industry Segment	
Registry Services	\$5,204,254
Investment Income	\$ 153,234

DIRECTORS' REPORT

Shareholder Returns

The Board of Directors approved an ordinary 1.85c fully franked dividend which was paid on 20 August 2014.

	2014	2013
Basic earnings per Share	3.68c	3.70c
NTA per share	14.38c	14.10c
Return on Equity	19.87%	19.76%
Return on Assets	18.26%	18.11%

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 Group are actively committed to risk management criteria as outlined in the Group's Corporate Governance Statement.

Likely Developments and Results

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

Environmental Regulations

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

Significant Events after Balance Date

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

The Group proposed a fully franked dividend of 1.85 cents per share which was paid on 20 August 2014.

Except for the matter described above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

DIRECTORS' REPORT

Insurance of Officers

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

REMUNERATION REPORT (Audited)

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

Remuneration Policy

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

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

Key Management Personnel Remuneration

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

Remuneration Report

Key Management Personnel	Position held as at 30 June 2014 and any change during the year	Contract details (duration and termination)
Mr Kim Phin Chong	Chief Executive Officer / Managing Director	Revised contract currently being negotiated. Previous contract was a 3 year contract from 10 May 2011 with a 3 month 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.

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

DIRECTORS' REPORT

Table of Benefits and Payments for the Year Ended 30 June 2014

Key Management Personnel		Short – term benefits		Post-employment benefit	Long – term benefits	Total
		Salary and fees	Profit share and Bonuses	Super-annuation	Long service Leave	
Mr Kim Phin Chong	2014	\$272,923	-	\$17,780	\$436	\$291,139
	2013	\$316,870	-	\$16,298	\$6,588	\$339,756
Mr Simon Cato	2014	\$35,500	-	\$12,000	-	\$47,500
	2013	\$37,367	-	\$12,000	-	\$49,367
Mr Alan Winduss	2014	\$28,500	-	-	-	\$28,500
	2013	\$29,500	-	-	-	\$29,500
Mr Alvin Tan	2014	\$28,500	-	-	-	\$28,500
	2013	\$29,500	-	-	-	\$29,500
Total	2014	\$365,423	-	\$29,780	\$436	\$395,639
	2013	\$413,237	-	\$28,298	\$6,588	\$448,123

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 2014 (2013: 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 2014 (2013: Nil).

The Group did not receive a “no” vote of 25% or more at its 2013 Annual General Meeting in relation to the resolution relating to the remuneration report.

KMP Shareholdings

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

30 June 2014	Balance at start of year	Issued during the year	Purchased/(sold) during the year	Balance at the end of the year
S. Cato	495,000	-	-	495,000
K. Chong	23,809,500	-	-	23,809,500
A. Tan	510,500	-	-	510,500
A. Winduss	200,000	-	-	200,000
	25,015,000	-	-	25,015,000

DIRECTORS' REPORT

30 June 2013	Balance at start of year	Issued during the year	Purchased/(sold) during the year	Balance at the end of the year
S. Cato	495,000	-	-	495,000
K. Chong	23,809,500	-	-	23,809,500
A. Tan	470,500	-	40,000	510,500
A. Winduss	200,000	-	-	200,000
	<u>24,975,000</u>	<u>-</u>	<u>40,000</u>	<u>25,015,000</u>

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

END OF REMUNERATION REPORT (AUDITED)

Proceedings on Behalf of Group

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

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

Non Audit Services

No non-audit services were provided by the entity's auditor for the year ended 30 June 2014 or 30 June 2013.

DIRECTORS' REPORT

Auditor's Independence Declaration

The auditor's independence declaration for period ending 30 June 2014 has been given and can be found on page 15 of this report.

Signed in accordance with a resolution of the Board of Directors



.....
Simon Cato
Chairman of Directors

Signed at Perth on 2 September 2014.

Level 1
10 Kings Park Road
West Perth WA 6005

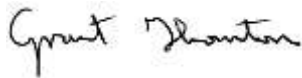
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**Auditor's Independence Declaration
To the Directors of Advanced Share Registry Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Advanced Share Registry Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner - Audit & Assurance

Perth, 2 September 2014

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Sales Revenue	2	5,173,083	5,114,392
Other income	2	184,405	186,127
Occupancy expenses	3	(217,971)	(223,789)
Administrative expenses	3	(1,555,737)	(1,555,288)
Other operating expenses	3	(970,765)	(883,604)
Depreciation and amortisation expenses	3	(277,618)	(275,379)
Profit before income tax		2,335,397	2,362,459
Income tax expense	4	(769,463)	(792,867)
Profit attributable to members		1,565,934	1,569,592
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		1,565,934	1,569,592
Basic earnings per share (cents per share)	23	3.68c	3.70c
Diluted earnings per share (cents per share)	23	3.68c	3.69c

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	4,868,833	4,802,432
Trade and other receivables	7	762,074	777,867
Other financial assets	9	741	741
Other current assets	8	8,582	13,478
Total Current Assets		5,640,230	5,594,518
Non-current Assets			
Property, plant and equipment	10	1,060,050	1,019,375
Intangible assets	11	1,754,396	1,954,596
Deferred tax assets	12	121,282	97,046
Total Non-current Assets		2,935,728	3,071,017
TOTAL ASSETS		8,575,958	8,665,535
LIABILITIES			
Current Liabilities			
Trade and other payables	13	294,091	311,024
Current tax liabilities	12	173,705	180,088
Provisions	14	157,304	176,311
Total Current liabilities		625,100	667,423
Non-current liabilities			
Provisions	14	64,457	49,407
Deferred tax liabilities	12	5,640	6,671
Total Non-current liabilities		70,097	56,078
TOTAL LIABILITIES		695,197	723,501
NET ASSETS		7,880,761	7,942,034
EQUITY			
Issued Capital	15	6,994,334	6,892,845
Retained earnings		886,427	959,915
Reserves	27	-	89,274
TOTAL EQUITY		7,880,761	7,942,034

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital	Retained Earnings	Employee Rights Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2012	6,840,044	960,381	78,704	7,879,129
Total comprehensive income for the year	-	1,569,592	-	1,569,592
Transactions with Owners				
Shares issued on conversion of Employee Performance Rights	52,801	-	(52,801)	-
Increase on issue of Employee Rights	-	-	63,371	63,371
Subtotal	6,892,845	2,529,973	89,274	9,512,092
Dividends paid	-	(1,570,058)	-	(1,570,058)
Balance at 30 June 2013	6,892,845	959,915	89,274	7,942,034
Balance at 1 July 2013	6,892,845	959,915	89,274	7,942,034
Total comprehensive income for the year	-	1,565,934	-	1,565,934
Transactions with Owners				
Shares issued on conversion of Employee Performance Rights	101,489	-	(101,489)	-
Increase on issue of Employee Rights	-	-	12,215	12,215
Subtotal	6,994,334	2,525,849	-	9,520,183
Dividends paid	-	(1,639,422)	-	(1,639,422)
Balance at 30 June 2014	6,994,334	886,427	-	7,880,761

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers		5,657,215	5,595,053
Payment to suppliers and employees		(3,192,717)	(3,007,616)
Interest received		156,669	196,193
Income tax paid		(801,113)	(803,328)
Net cash flows provided by operating activities	16	1,820,054	1,980,302
Cash flows from investing activities			
Purchase of property, plant and equipment		(118,093)	-
Net cash flows used in investing activities		(118,093)	-
Cash flows from financing activities			
Dividends paid		(1,635,560)	(1,568,508)
Net cash flows used in financing activities		(1,635,560)	(1,568,508)
Net increase in cash and cash equivalents		66,401	411,794
Cash and cash equivalents at the beginning of the year		4,802,432	4,390,638
Cash and cash equivalents at the end of the year	6	4,868,833	4,802,432

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 1: Summary of Significant Accounting Policies

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

Basis of Preparation

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

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

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

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

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

a. Income Tax

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

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

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

b. Property, Plant and Equipment

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

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

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

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land and leasehold improvements, is depreciated on a diminishing value basis

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated on a straight line basis over the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
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 profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. Leases

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

d. Financial Instruments

Initial recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Impairment

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

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

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

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

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

Financial guarantees

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

De-recognition

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

e. Impairment of Non- Financial Assets

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

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

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

f. Intangibles

Goodwill

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Client List

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

g. Employee Benefits

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

Equity-settled compensation

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

h. Provisions

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

i. Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

j. Revenue and Other Income

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

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

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

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

k. Goods and Services Tax (GST)

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

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

l. Business Combinations

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

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

m. Comparative Information

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

n. Critical Accounting Estimates and Judgments

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

(i) Impairment – general

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

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

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units, using a value in use discounted cash flow methodology, to which the goodwill and intangibles with indefinite useful lives are allocated. No impairment has been recognised in respect of goodwill for the year ended 30 June 2014. The assumptions used in the estimation of recoverable amount are disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. Management do not consider that the triggers for impairment testing have been significant enough and as such, these assets have not been tested for impairment in this financial period.

Key judgments – Provision for Impairment of Receivables

Included in trade receivables at reporting date are minor amounts receivable from services provided to clients amounting to \$106,597. These clients have had their trade terms extended past the Group's usual trade terms in order to assist in the clients' cash flow. The Directors understand that for most of these clients, the full amount of the debt is likely to be recoverable. However a client presently owing \$76,370 to the Group is now subject to a Deed of Company Arrangement has been identified and recovery is likely to be reduced significantly. A provision for impairment has been made for this client and the other clients for which the extended terms have been arranged.

o. Principles of Consolidation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

A number of new and revised accounting standards are effective for annual periods commencing on 1 July 2013. Information on these new standards is presented below:

- AASB 10 *Consolidated Financial Statements* supersedes AASB127 *Consolidated and Separate Financial Statements* and AASB Interpretation 112 *Consolidation – Special Purpose Entities*. AASB 10 establishes a revised control model that applies to all entities and provides extensive new guidance on its application. The revised control model broadens the situations when an entity is considered to be controlled by another entity which has the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary have not changed.

Management has reviewed its control assessment in accordance with AASB10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative period covered by these financial statements.

- AASB 11 *Joint Arrangements* AASB 11 supersedes AASB 131 *Interests in Joint Ventures* and AASB Interpretation 113 *Jointly- controlled Entities – Non-monetary Contributions by Ventures*. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

The Group did not have any joint arrangements within the scope of AASB 11. Management has concluded that there is no effect on the financial statements upon adopting AASB 11.

- AASB 12 *Disclosure of Interests in Other Entities* AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. Management has reviewed the interests held in other entities in accordance with the revised standard.

- Consequential amendments to AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*. As a consequence of issuing AASB 10, AASB 11 and AASB 12, revised versions of AASB 127 and AASB 128 have also been issued. AASB 127 now only deals with separate financial statements. AASB 128's equity accounting methodology remains unchanged.

- AASB 13 *Fair Value Measurement* clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

value measurements or disclosures about fair value measurements, except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

The Group has applied AASB 13 for the first time in the current year, see Note 21.

- AASB 119 *Employee Benefits* was amended making a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- Eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- Change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- Enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the Group does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period, annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability. The anticipated increases to employees' base remuneration is anticipated to be greater than the discount rate, and accordingly no discount has been applied to the leave balance. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 *Presentation of Financial Statements*.

New Accounting Standards for Application in Future Periods

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

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

-AASB 2012-3: *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014). This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

- Interpretation 21: *Levies* (applicable for annual reporting periods commencing on or after 1 January 2014). Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.

- AASB 2013-3: *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014). This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.

- AASB 2013-4: *Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual reporting periods commencing on or after 1 January 2014). AASB 2013-4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2013-5: *Amendments to Australian Accounting Standards - Investment Entities* (applicable for annual reporting periods commencing on or after 1 January 2014). AASB 2013-5 amends AASB 10: *Consolidated Financial Statements* to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

investment entity, this Standard is not expected to significantly impact the Group's financial statements.

- AASB 2013-7 *Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders* (applicable for annual reporting periods commencing on or after 1 January 2014). AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038 *Life Insurance Contracts*, which leaves AASB 10 *Consolidated Financial Statements* as the sole source for consolidation requirements applicable to life insurer entities.

- AASB 1031 *Materiality* (December 2013) AASB 1031 *Materiality* (July 2004, as amended) (applicable for annual reporting periods commencing on or after 1 January 2014). The revised AASB 1031 is an interim standard that cross-references to other Standards and the *Framework for the Preparation and Presentation of Financial Statements* (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn.

- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* (Part B: Materiality) (applicable for annual reporting periods commencing on or after 1 January 2014). Part B of AASB 2013-9 deletes references to AASB 1031 in various Australian Accounting Standards (including Interpretations).

- IFRS 15 *Revenue from Contracts with Customers* has been issued by the IASB but not yet by the AASB. IFRS 15 will replace IAS 18 *Revenue*, IAS 11 *Construction Contracts* and some revenue related Interpretations, establish a new control based revenue recognition model, change the basis for deciding whether revenue is to be recognised over time or at a point in time, provide new and more detailed guidance on specific topics (such as multiple element arrangements, variable pricing, rights of return) and expand and improve disclosures and revenue. The AASB is expected to issue the equivalent Australian standard with a new Exposure Draft. The Group has not yet assessed the full impact of this Standard.

Note 2: Revenue	2014	2013
	\$	\$
Revenue		
Registry fees	4,223,243	4,233,916
Client disbursements recovered	949,840	880,476
Total Revenue	<u>5,173,083</u>	<u>5,114,392</u>
Other income		
Interest received	153,234	181,959
Other income	31,171	4,168
	<u>184,405</u>	<u>186,127</u>

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Note 3: Profit	2014	2013
	\$	\$
Expenses		
Depreciation of non-current assets	77,418	75,179
Amortisation of non-current assets, client list	200,200	200,200
Professional fees	21,364	27,500
Occupancy expenses	217,971	223,789
Directors' fees	92,500	96,367
Salaries and wages	1,184,795	1,098,280
Superannuation	113,312	100,078
Postage, printing and stationery	835,814	825,649
Employee Performance rights	12,215	63,371
Other expenses	266,502	227,647
	<u>3,022,091</u>	<u>2,938,060</u>

Note 4: Income tax

a. The components of tax expense comprise:

Current tax	794,728	810,660
Deferred tax	(25,265)	(17,793)
	<u>769,463</u>	<u>792,867</u>

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

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

Total accounting profit before income tax at the Group's statutory income tax rate of 30% (2013:30%)

	700,619	708,739
Non deductible amortisation	60,060	60,060
Other non-allowable items	553	491
Share based payments	3,665	19,011
Deductible amount for share issue	(1,800)	(1,800)
Non deductible building depreciation	6,366	6,366
Aggregate income tax expense	<u>769,463</u>	<u>792,867</u>

The applicable weighted average effective tax rate is: 32.94% 33.56%

Note 5: Auditor's Remuneration

Remuneration of the auditor of the Group for:

- audit of the financial report	19,569	25,000
- audit of Share Registry Function for ASX requirements.	1,795	2,500
	<u>21,364</u>	<u>27,500</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Note 6 : Cash and cash equivalents		
Current		
Cash at Bank and on hand	1,804,833	1,738,432
Cash on deposit	3,064,000	3,064,000
	<u>4,868,833</u>	<u>4,802,432</u>

The effective interest rate on short-term bank deposits was 3.74%; these deposits have a maturity of 180 days. (2013: 4.33%)

Under an arrangement with one of the Group's major suppliers, the Group 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 Group defaults on payment of the suppliers' account and the bank may not release the funds supporting the guarantee to the Group without the prior approval of the supplier. The deposit is placed on a separate deposit account and the guarantee is renewed in each year.

	2014	2013
	\$	\$
Note 7: Trade and other receivables		
Current		
Trade receivables	810,405	766,800
Provision for impairment	(106,597)	(45,175)
	<u>703,808</u>	<u>721,625</u>
Other receivables	58,266	56,242
	<u>762,074</u>	<u>777,867</u>

a. Provision For Impairment of Receivables

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

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

	Current trade receivables	Totals
	\$	\$
Opening Balance as at 1 July 2012	28,834	28,834
Charge for the year	19,243	19,243
Amounts written off	(2,902)	(2,902)
Closing Balance as at 30 June 2013	<u>45,175</u>	<u>45,175</u>
Opening Balance as at 1 July 2013	45,175	45,175
Charge for the year	73,268	73,268
Amounts written off	(11,846)	(11,846)
Closing Balance as at 30 June 2014	<u>106,597</u>	<u>106,597</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Credit Risk – Trade and Other Receivables

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

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

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

		Past Due but Not Impaired (Days Overdue)					Within Initial Trade Terms
	Gross Amount	Past Due and Impaired	< 30	31- 60	61 – 90	> 90	
2014							
Trade and term receivables	\$810,405	\$106,597	-	\$78,213	\$34,820	\$4,041	\$586,734
Other receivables	\$58,266	-	-	-	-	-	\$58,266
Total	\$868,671	\$106,597	-	\$78,213	\$34,820	\$4,041	\$645,000

		Past Due but Not Impaired (Days Overdue)					Within Initial Trade Terms
	Gross Amount	Past Due and Impaired	< 30	31- 60	61 – 90	> 90	
2013							
Trade and term receivables	\$766,800	\$45,175	-	\$68,114	\$23,572	\$43,506	\$586,433
Other receivables	\$56,242	-	-	-	-	-	\$56,242
Total	\$823,042	\$45,175	-	\$68,114	\$23,572	\$43,506	\$642,675

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 8: Other assets	Notes	2014	2013
		\$	\$
Current			
Prepayments		8,582	13,478
Note 9: Other Financial Assets			
Current			
Financial assets at fair value through profit or loss	9 (a)	741	741
		741	741
- Financial assets at fair value through profit or loss:			
Held-for-trading Australian listed shares		741	741
(a) Shares held for trading are traded for the purpose of short-term profit taking. Changes in fair value are included in the statement of profit or loss and other comprehensive income			
Note 10: Property, Plant and Equipment			
Buildings – at cost		848,827	848,827
Accumulated depreciation		(75,291)	(54,070)
		773,536	794,757
Leasehold improvements – at cost		56,266	77,529
Accumulated depreciation		(11,873)	(10,160)
		44,393	67,369
Plant and equipment – at cost		610,559	471,203
Accumulated depreciation		(368,438)	(313,954)
		242,121	157,249
Total property, plant and equipment		1,060,050	1,019,375

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 2012	\$815,978	\$69,273	\$209,303	\$1,094,554
Additions	-	-	-	-
Depreciation Expense	(\$21,221)	(\$1,904)	(\$52,054)	(\$75,179)
Balance at 30 June 2013	\$794,757	\$67,369	\$157,249	\$1,019,375
Additions	-	-	\$139,356	\$139,356
Disposals	-	(\$21,263)	-	(\$21,263)
Depreciation Expense	(\$21,221)	(\$1,713)	(\$54,484)	(\$77,418)
Balance at 30 June 2014	\$773,536	\$44,393	\$242,121	\$1,060,050

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 11: Intangible Assets	2014	2013
	\$	\$
Goodwill – at cost	1,053,690	1,053,690
Net carrying amount	1,053,690	1,053,690
Client book acquired – at cost	2,002,010	2,002,010
Accumulated amortisation	(1,301,304)	(1,101,104)
Net carrying amount	700,706	900,906
Total intangibles	1,754,396	1,954,596

The client book acquired is amortised over its effective life, determined to be 10 years. The remaining amortisation period is 3.5 years. *(Refer Note1 f)*

a. Movements in Carrying Amounts

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

	Goodwill		Client Book Acquired		Total	
	2014	2013	2014	2013	2014	2013
Opening balance	\$1,053,690	\$1,053,690	\$900,906	\$1,101,106	\$1,954,596	\$2,154,796
Amortisation expense	-	-	(\$200,200)	(\$200,200)	(\$200,200)	(\$200,200)
Balance at 30 June	\$1,053,690	\$1,053,690	\$700,706	\$900,906	\$1,754,396	\$1,954,596

Impairment Disclosures

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

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

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

	Growth Rate	Discount Rate
Share registry	5%	10.75%

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

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		Consolidated Group		
		2014	2013	
		\$	\$	
Note 12: Tax				
Current				
Income tax payable		173,705	180,088	
Non- Current				
	Opening Balance	Charged to Income	Charged Directly to Equity	Closing Balance
Deferred Tax Liability				
Accrued Income	\$10,941	(\$4,270)	-	\$6,671
Balance at 30 June 2013	\$10,941	(\$4,270)	-	\$6,671
Accrued Income	\$6,671	(\$1,031)	-	\$5,640
Balance at 30 June 2014	\$6,671	(\$1,031)	-	\$5,640
Deferred Tax Assets				
Provisions and Accrued Expenses	\$83,523	\$13,523	-	\$97,046
Balance at 30 June 2013	\$83,523	\$13,523	-	\$97,046
Provisions and Accrued Expenses	\$97,046	\$24,236	-	\$121,282
Balance at 30 June 2014	\$97,046	\$24,236	-	\$121,282
		Statement of financial position		
		2014	2013	
		\$	\$	
Deferred income tax at 30 June relates to the following:				
<i>i) Deferred tax liabilities</i>				
Accrued income		5,640	6,671	
Net deferred tax liabilities		5,640	6,671	
<i>ii) Deferred tax assets</i>				
Superannuation liability		8,855	900	
Accruals		19,030	18,831	
Provisions:				
Doubtful debts		31,980	13,553	
Long service leave		19,337	14,822	
Annual leave		42,080	48,940	
Net deferred tax assets		121,282	97,046	

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

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Note 13: Trade and other payables	2014	2013
	\$	\$
Current		
Trade creditors and accruals	294,091	311,024
The carrying amount of creditors and accruals has been considered and approximates fair value		
Note 14: Provisions	Employee Benefits	Provision for Dividend
		Total
Opening balance at 1 July 2013	\$212,544	\$13,174
Additional provisions	\$15,050	\$3,862
Amounts used	(\$22,869)	-
Balance at 30 June 2014	\$204,725	\$17,036
		\$221,761
Analysis of total provisions		
Current liabilities – provisions	2014	2013
	\$	\$
Annual leave	140,268	163,137
Provision for dividend	17,036	13,174
	157,304	176,311
Non-current liabilities - provisions		
Long service leave	64,457	49,407
Note 15: Issued Capital	2014	2013
	\$	\$
42,616,500 (2013 : 42,468,000) fully paid ordinary shares)	6,994,334	6,892,845
	No.	No.
a. Ordinary Shares		
At the beginning of the reporting period	42,468,000	42,400,000
Shares issued during the year on conversion of performance rights:		
- 8 January 2013	-	68,000
- 12 July 2013	83,000	-
- 24 January 2014	65,500	-
At reporting date	42,616,500	42,468,000

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

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

b. Capital Management

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

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

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

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

Note 16: Cash flow information

Notes

2014
\$

2013
\$

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

Profit after income tax	1,565,934	1,569,592
Non cash flows in profit:		
Amortisation	200,200	200,200
Depreciation	77,418	75,179
	<u>1,843,552</u>	<u>1,844,971</u>
Changes in equity as a result of adjustments in reserves	12,215	63,371
Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	16,195	(2,212)
(Increase)/decrease in prepayments	4,896	7,529
Increase/(decrease) in trade payables and accrual	(17,335)	42,807
Increase/(decrease) in income taxes payable	(6,383)	7,332
Increase/(decrease) in deferred taxes payable	(25,267)	(17,793)
Increase/(decrease) in provisions	(7,819)	34,297
	<u>1,820,054</u>	<u>1,980,302</u>

Non -cash financing and investing activities

Share-based payments	17	<u>12,215</u>	<u>63,371</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 17: Share-based Payments

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

Grant Date	Number	Vesting Date
1 July 2011	83,000	1 July 2013
1 January 2012	67,000	1 January 2014

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

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

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

	Number	Weighted Average Exercise Price
Performance rights outstanding as at 01 July 2012	267,000	\$0
Granted	-	\$0
Forfeited	(49,000)	\$0
Exercised	(68,000)	-
Expired	-	-
Performance rights outstanding as at 30 June 2013	150,000	\$0
Granted	-	-
Forfeited	(1,500)	\$0
Exercised	(148,500)	\$0
Expired	-	-
Performance rights outstanding as at 30 June 2014	-	-

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

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

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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 profit or loss and other comprehensive income is \$12,215 which relates to equity-settled share-based payment transactions (2013: \$63,371).

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 declared on 8 August 2014 and paid on 20 August 2014.

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

Note 19: Capital and leasing commitments

Non-cancellable operating lease commitments

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

	2014	2013
- not later than 12 months	\$154,450	\$63,500
- between 12 months and 5 years	\$284,218	-
- later than 5 years	-	-
	\$438,668	\$63,500

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 20: Contingent Liabilities

The Group has no known or identifiable contingent liabilities.

Note 21: Financial Risk Management

Financial Instruments

Categories of Financial Instruments

	2014	2013
	\$	\$
Financial assets		
Cash and cash equivalents	4,868,833	4,802,432
Loans and receivables	762,074	777,867
<i>Financial assets at fair value through profit or loss</i>		
Investments – held-for-trading	741	741
Total financial assets	<u>5,631,648</u>	<u>5,581,040</u>
Financial liabilities		
Payable and borrowings	294,091	311,024
Total financial liabilities	<u>294,091</u>	<u>311,024</u>

a. General objectives, policies and processes

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

The principal financial instruments from which financial instrument risk arises:

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

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

b. Credit risk

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

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

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

Credit risk exposures

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

There is no material amounts of collateral held as security at 30 June 2014.

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

	2014	2013
Trade debtors	\$703,808	\$721,625

c. Liquidity risk

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

Financial liability and financial asset maturity analysis

	Within 1 Year		Total	
	2014	2013	2014	2013
Financial liabilities due for payment				
Trade and other payables	\$294,091	\$311,024	\$294,091	\$311,024
Total expected outflows	\$294,091	\$311,024	\$294,091	\$311,024
Financial assets – cash flows realisable				
Cash and cash equivalents	\$4,868,833	\$4,802,432	\$4,868,833	\$4,802,432
Trade, term and loans receivables	\$762,074	\$777,867	\$762,074	\$777,867
Held-for-trading investments	\$741	\$741	\$741	\$741
Total anticipated inflows	\$5,631,648	\$5,581,040	\$5,631,648	\$5,581,040
Net / inflow on financial instruments	\$5,337,557	\$5,270,016	\$5,337,557	\$5,270,016

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Financial arrangements

Nil at balance date.

d. Market risk

Interest rate risk

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

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

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

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

Maturity of notional amounts:	Effective Average Fixed Interest Rate Payable		Notional Principal	
	2014	2013	2014	2013
Less than 1 year	2.74%	3.19%	\$5,705,584	\$5,596,324
	2.74%	3.19%	\$5,705,584	\$5,596,324

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

Fair Values

The fair values of:

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

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

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

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
Financial Assets:				
Cash and cash equivalents	\$4,868,833	\$4,802,432	\$4,868,833	\$4,802,432
Receivables	\$762,074	\$777,867	\$762,074	\$777,867
Investments – held-for-trading	\$741	\$741	\$741	\$741
Total Financial Assets	\$5,631,648	\$5,581,040	\$5,631,648	\$5,581,040

ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Financial Liabilities:

Trade and sundry payables	\$294,091	\$311,024	\$294,091	\$311,024
Total Financial Liabilities	\$294,091	\$311,024	\$294,091	\$311,024

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).

2014

Financial assets

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

2013

Financial assets

Financial assets at fair value through profit or loss:				
- Investments-held-for-trading	\$741	-	-	\$741

Sensitivity Analysis

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

Interest Rate Risk

	2014	2013
Change in profit	\$	\$
- Increase in interest rate by 2%	48,700	48,000
- Decrease in interest rate by 2%	(48,700)	(48,000)
Change in equity		
- Increase in interest rate by 2%	48,700	48,000
- Decrease in interest rate by 2%	(48,700)	(48,000)

ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 Group entered into a services agreement with Mr Kim Chong effective from 11 May 2011. Under the Services Agreement, Mr Chong is engaged by the Group to provide services to the Group in the capacity of Managing Director and Chief Executive Officer.

Mr Chong is to be paid an annual remuneration of \$266,957 inclusive of statutory superannuation. Mr Chong will also be reimbursed for reasonable expenses incurred in carrying out his duties. There was \$403 to be reimbursed to Mr Chong as at 30 June 2014.

The Services Agreement is currently being negotiated with services still be provided by Mr Chong on the basis of the previous agreement until the new agreement is concluded.

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

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 2014 for accounting and secretarial services, was \$57,200 including GST (2013:\$57,200).The amount owing to Winduss & Associates Pty Ltd at 30 June 2014 is \$4,766 (2013: \$9,533).

Tenancy Agreement

- Cherry Field Pty Ltd

The Group required an additional area to assist in operations during the period. On 1 April 2014, the Group entered into a lease agreement with Cherry Field Pty Ltd, a Company owned and controlled by an associate of Mr Chong. The agreement has been concluded on a commercial monthly tenancy basis. The Group has incurred \$25,550 for the year ended 30 June 2014 under this agreement which was outstanding as at 30 June 2014. (2013: \$21,240)

	2014	2013
Note 23: Earnings per share	\$	\$
Earnings used in the calculation of EPS		
Profit	1,565,934	1,569,592
Earnings per share		
Basic earnings per share	3.68c	3.70c
Diluted earnings per share	3.68c	3.69c

ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	No	No
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	42,580,752	42,432,230
Weighted average number of dilutive rights outstanding	-	150,000
Weighted average number of ordinary shares used - in calculating diluted EPS	<u>42,580,752</u>	<u>42,582,230</u>

Note 24: Operating Segments

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

	2014	2013
	\$	\$
Revenue by geographical region		
Australia	<u>\$5,357,488</u>	<u>\$5,300,519</u>
Assets by geographical region		
Australia	<u>\$8,575,958</u>	<u>\$8,665,535</u>

Major customers

The Group has a number of customers to whom it provides services. Although the Group has no single external customer that accounts for more than 10% of its income, a group of 6 customers, each exceeding 2% of the Group's income, accounts for approximately 23% (2013: 7 customers each exceeding 2% of the Group's income accounted for 22%) of the Group's income.

	2014	2013
	\$	\$
Note 25: Dividends		
Distributions paid		
Final fully franked dividend of 1.85 cents and a special dividend of 0.15 cents (2013: 1.85 cents) per share franked at the tax rate of 30% (2013: 30%)	851,020	784,400
Interim dividend fully franked of 1.85 cents (2013: 1.85 cents) per share franked at the tax rate of 30% (2013: 30%)	<u>788,405</u>	<u>785,658</u>
	<u>1,639,425</u>	<u>1,570,058</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
a. Final 2014 fully franked dividend of 1.85 cents declared subsequent to 30 June 2014 (2013: 1.85 cents and 0.15 cents special) per share franked at the tax rate of 30% (2013: 30%)	788,405	851,020
b. Balance of franking account at year end adjusted for franking credits arising from:		
- Payment of provision for income tax	1,072,892	980,772
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	<u>(337,888)</u>	<u>(364,723)</u>

Note 26: Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2014.

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

	2014	2013
	\$	\$
Short -term employee benefits	365,423	413,237
Post-employment benefits	29,780	28,298
Long -term benefits	436	6,588
	<u>395,639</u>	<u>448,123</u>

Note 27: Reserves

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

Note 28: Interest in Subsidiaries

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

Set out below is the Group's subsidiary at 30 June 2014. The subsidiary listed below has share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group.

ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non- Controlling Interests	
		30.06.2014	30.06.2013	30.06.2014	30.06.2013
Advanced Custodial Services Pty Ltd	Perth, Australia	100%	-	-	-
Consideration Paid	-	\$100	-	-	-

Note 29: Parent Information

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

	2014 \$	2013 \$
Statement of Financial Position		
ASSETS		
Current Assets	5,641,715	5,594,518
Non-current Assets	2,935,728	3,071,017
TOTAL ASSETS	8,577,443	8,665,535
LIABILITIES		
Current Liabilities	625,100	667,423
Non-current liabilities	70,097	56,078
TOTAL LIABILITIES	695,197	723,501
EQUITY		
Issued Capital	6,994,334	6,892,845
Retained earnings	887,912	959,915
Reserves	-	89,274
TOTAL EQUITY	7,882,246	7,942,034
	2014 \$	2013 \$
Statement of Profit or Loss and Other Comprehensive Income		
Total profit	1,567,419	1,569,592
Total other comprehensive income, net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,567,419	1,569,592

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Guarantees

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

Contingent liabilities

The Company has no known or identifiable contingent liabilities.

Contractual commitments

Details of contractual commitments are set in Note 19.

At 30 June 2014, the Company had not entered into any contractual commitments for the acquisition of property, plant and equipment (2013: Nil).

DIRECTORS DECLARATION

1. In the opinion of the Directors of Advanced Share Registry Limited (the 'Group'):
 - (a) the financial statements and notes set out on pages 16 to 53 and the Remuneration disclosures that are contained in pages 11, 12 and 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 Group's financial position as at 30 June 2014 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (iii) complying with International Financial Reporting Standards as disclosed in Note 1; and
 - (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the Directors.



.....
Simon Cato
Chairman of Directors

Signed at Perth on 2 September 2014

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

Report on the financial report

We have audited the accompanying financial report of Advanced Share Registry Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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 consolidated entity's financial position as at 30 June 2014 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 13 of the directors' report for the year ended 30 June 2014. 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 2014, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner - Audit & Assurance

Perth, 2 September 2014

ADVANCED SHARE REGISTRY LIMITED
ABN 14 127 175 946

SHAREHOLDER INFORMATION

(Current as at 29 August, 2014)

A. Substantial Shareholders

Name	Number of Shares	Percentage of Issued Capital
KMC Automation Pty Ltd	23,809,500	55.87
Washington H Soul Pattinson and Company Ltd	4,494,726	10.54
Link Market Services Ltd	4,153,627	9.74

B. Distribution of Fully Paid Ordinary Shares

i) Distribution Schedule of Holdings	Holders	Number of Shares	Percentage of Issued Capital
1-1,000	41	18,104	0.042
1,001-5,000	125	459,140	1.077
5,001-10,000	79	715,121	1.678
10,001-100,000	177	5,462,324	12.817
100,001 and over	23	35,961,811	84.385
Total number of holders	445	42,616,500	100.00
ii) Holding less than a marketable parcel	31		

C. Twenty Largest Shareholders	Number of Shares	Percentage of Issued Capital
1 KMC Automation Pty Ltd	23,809,500	55.87
2 Washington H Soul Pattinson and Company Ltd	4,494,726	10.54
3 Pacific Custodians Pty Ltd	3,508,577	8.23
4 The Australian Superannuation Group (WA) Pty Ltd	645,050	1.51
5 S K Cato	350,000	0.82
6 J Davidson & E Davidson	345,943	0.81
7 J M Molyneux & W A Hutchison & J E Hutchison<Hutchison Family Super A/C>	307,718	0.72
8 Ostle Investments Pty Ltd, <Tan Family Super Fund A/C>	290,000	0.68
9 Yonatan Widjaya & Mela Widjaya	230,000	0.54
10 WJK Investments Pty Ltd<WJK Superannuation Fund A/C>	202,182	0.47
11 Alberta Resources Pty Ltd<British Columbia Superannuation Fund A/C>	200,000	0.46
12 A C Winduss	200,000	0.46
13 Richard Alexander Isles	200,000	0.46
14 Morse's Run Pty Ltd<The Number 69 Prov Fund A/C>	155,000	0.36
15 R G Morris & M J Morris<Blythewood Super Fund>	150,000	0.35
16 Synchronised Software Pty Ltd	145,100	0.34
17 Edward James Dally & Selina Dally	140,000	0.32
18 Rosemont Asset Pty Ltd	125,000	0.29
19 Batten Resources Pty Ltd<Batten Super Fund>	125,000	0.29
20 J D Mckay & C L Brittain <The John Mckay Super Fund>	125,000	0.29

D. Restricted Securities

There were no securities under escrow at 30 June 2014 or 30 June 2013.

E. Voting Rights – Ordinary Shares

On a show of hands, every member, present in person or by proxy, shall have one vote and upon a poll every member, present in person or by proxy, shall have one vote for each share.

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