

**AUSTRALIAN SMALL SCALE OFFERINGS  
BOARD LIMITED  
AND CONTROLLED ENTITIES**

**ACN: 109 469 383**

**Financial Report For The Year Ended  
30 June 2014**

# **AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**

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## **Financial Report For The Year Ended 30 June 2014**

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**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383**  
**OPERATING AND FINANCIAL REVIEW**

## **Principal Activities**

The business of the Australian Small Scale Offerings Board Limited (ASSOB) is a matching service between investors and companies raising capital under the Class Order 02/273 and Section 708 of the Corporations Act, 2001. The ASSOB capital raising platform operates with the assistance of either an internal funding strategist or with an external sponsor organisation.

Fees are charged by ASSOB during the "approval" and "admission" process, during which internal funding strategists or sponsors work with the companies to prepare capital structures and investment documents for capital raising campaigns. The companies are taken through an instructional/coaching process by the sponsors and ASSOB which assists the clients to develop good governance and compliance disciplines while they raise capital and afterwards. This provides transparency, certainty and comfort for both the Issuers and the investors, which increases the likelihood that the necessary capital is raised. A success fee taken as a percentage of the capital raised is split between the ASSOB and the sponsor.

All investor transactions are undertaken by a remittance service operated primarily by ASSOB's wholly owned subsidiary, Unlisted Services Pty Ltd or by independent operator Shelf Company Services Pty Ltd, and are subject to the regulations of the Unlisted Services or Shelf Company Services Trust Account.

The principal activities of the Company during the course of the financial year were:

- 1 Operating a matching service between investors and companies raising capital under Class Order 02/273 and Section 708 of the Corporations Act, 2001;
- 2 Providing that service to affiliated sponsors of the ASSOB network who pass the service on to their clients;
- 3 Providing a Capital Raising Platform that shepherds organisations wishing to raise capital through the process of raising funds for their business as well as educating them in the area of capital raising and the compliance and governance issues aligned to this;
- 4 Related marketing and promotional activities;
- 5 Providing a remittance service and share registry services for companies raising capital on the ASSOB platform; and
- 6 Marketing the ASSOB platform as an Equity Crowd funding platform in foreign jurisdictions as their legislation changes to allow small scale offerings in their countries.
- 7 Marketing Regional Funding Hubs to regional organisations that will provide a fundraising portal "powered by ASSOB" with ASSOB to share in the capital raising fees.

## **Significant Changes to Activities**

There were no other significant changes in the nature of the consolidated group's principal activities during the financial year.

## **Our Business Model and Objectives**

Providing satisfactory returns to our shareholders is our primary objective. Our success in delivering this aim is determined by reference to total shareholder return (TSR) over time, and this is compared to the returns delivered by our competitors and the S&P/ASX 200 Index. We strive to continually improve the differential between returns on invested capital over the cost of that capital. ASSOB has struggled to achieve this and in the past two years has focussed on broadening our operational base by licensing the Platform to overseas territories like the USA and also setting up a national network of Regional Funding Hubs to more efficiently capture companies that seek to raise capital.

## **Operating Results**

The net loss for the consolidated entity for the year after income tax was (\$449,668) (2013 loss: \$325,525).

Included in this profit figure is a Research & Development income tax refund of \$29,917 (2013: \$46,511).

## **Review of Operations**

The net loss after tax for the year of (\$449,668) (2013 loss: \$325,525) was made up of a loss of (\$236,688) (2013: \$113,545 loss) for the first half-year ended 31 December 2013 and a loss of (\$212,980) (2013: (\$211,980) loss) for the second half-year ended 30 June 2014. Revenue including other income from operations for the year was \$306,439 (2013: \$561,483), made up of \$177,789 (2013: \$347,885) for the first half and \$128,650 (2013: \$213,598) in the second half.

General investor and entrepreneurial confidence as well as the legislative environment that governs capital raising still remain the essential elements in running a profitable operation. While investor and entrepreneurial confidence has picked up since the election, for the period this financial report covers it continues to decline.

ASSOB continues to invest in developing the functionality of its web-based platform. Much of the development focus is to ensure that when there is legislative change in this area in Australia, that ASSOB, using its learnings from the American market, is ready to take advantage of such change in legislation to grow its business.

While ASSOB has seen a slight reduction in the volume of small scale offerings, the decline has not been as marked as the decline in initial public offerings (IPOs) on the Australian Securities Exchange (ASX), which are a good measure of capital raising health.

Excluding the mining sector, the reality is that much of the future employment growth in Australia will depend on small businesses and the major constraint on them is finance to grow their businesses. If the banks are unable to finance growth the provision of equity growth capital is an obvious alternative. This is where ASSOB plays a creative role in assisting these companies to realise their expansion plans.

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ASSOB is taking an active role in suggesting to Australian legislators and regulators the changes necessary to allow a responsible, useful and free flow of investment to early stage growth business opportunities. A simple change like increasing the number of retail investors allowable in a small scale offering from 20 to 100 would lower the average investment size from around \$30,000 to \$5,000. This would both lessen the quantum of cash risked for individual investors and increase the number of investors who have the cash to invest in a manageable parcel of shares.

ASSOB has always been a major player in the democratisation of equity based funding. Twenty-five years ago ASSOB's Chairman, Tony Puls worked hard to assist regulators to bring in legislation that made it easier for small businesses to raise the funding they needed, legally, from people one, two and three degrees of separation from the entity. It is this legislation that ASSOB now operates under.

To further expand ASSOB's business volume it has started to rollout Regional Funding Hubs. These hubs are local businesses that are the "go-to" place for raising capital. ASSOB's central processing unit works with these units to expand funding, job growth and employment in their regions .

ASSOB has an established track record in raising capital for high growth unlisted companies, with over 300 companies securing \$135 million funding over the past eight years.

## **Financial Position**

### *Liquidity and capital resources*

At 30 June 2014 the Company had cash at bank of \$73,602 and a current receivables balance of \$31,792. A \$29,917 Research & Development refund is due from the Australian Taxation Office. The total current assets amount to \$165,519.

The ratio of current assets of \$165,519 to current liabilities of \$192,335 is 0.86:1. This compares unfavourably to the prior year current ratio of 2.08:1 when the current assets were \$746,960 and current liabilities \$358,943.

### *Asset and capital structure*

The Company's most important asset is the intellectual property of the ASSOB capital raising process, the Company's website, which includes the ASSOB capital raising OfferBoard; profile pages for ASSOB admitted companies, support information and tools for sponsors and its relationship with its sponsors and investor subscribers.

The Company also has \$456,501 in non-current borrowings provided by a director and current and former major shareholders.

### *Shares issued during the year*

There were no shares issued during the year 1 July 2013 to 30 June 2014.

### *Profile of debts*

A short-term loan of \$60,000 provided by a shareholder was repaid as of 30 June 2014.

The group's long term debt finance is made up of \$456,501 loans from current and former major shareholders. Both are interest only loans with principal repayable in July and October 2015. ASSOB may elect to repay these loans early if it is considered appropriate.

### *Capital expenditure*

The capital expenditure incurred for the year was \$10,268 invested in upgrading the Company's website, which includes the capital raising platform, and other computer equipment assets.

### *Treasury Policy*

Cash received is deposited into and payments are made out of the Company's transaction account. The Company keeps a cash balance of \$20,000 to \$40,000 to maintain liquidity.

## **Significant Changes in State of Affairs**

There were no significant changes in the state of affairs of the Company.

## **Events after the Reporting Period**

There were no events after the reporting period.

## **Future Developments, Prospects and Business Strategies**

Your Directors recognise that we are a leader in this space and have undertaken considerable enhancements to the ASSOB platform to ensure it is easily customised to changes in equity based funding legislation as it is introduced in countries worldwide. Discussions are already underway in several jurisdictions as to the most suitable customization for each country. This year has seen modification to the platform so it is more easily replicated in other countries.

As we go forward we will have an Australian based business operating a platform in Australia and an international licensing operation that will sell the platform worldwide with the assistance of Offerboard in the USA.

Raise sizes continue to decrease in Australia. Five years ago raises of between \$2 million and \$3 million were fairly common. With outsourcing, cloud computing, shared workplaces and other impacts of digital technology raise sizes are now between \$200,000 and \$2 million.

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At this level of funding structural change is required to legislation so that more people can invest with a lower investment parcel size. The average ASX transaction size is nearing \$5,000. This contrasts to the average ASSOB transaction of around \$30,000. Change is urgently needed to arrest this disadvantage for small to medium enterprises (SMEs). The outlook for the Australian market can only improve in line with increases in investor and entrepreneurial confidence and regulatory change with regard to parcel size and investor numbers. New regulation in the USA is fuelling a resurgence of investor activity.

**Business Risks**

Management reports to the Board on its operations, which includes an analysis on risks facing the business. On a periodic basis, the Board assesses compliance and risk associated with operating the ASSOB business.

**Environmental Issues**

The Company's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. However ASSOB's policies encourage staff and directors to consider the environment in carrying out their duties.

## **AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES CORPORATE GOVERNANCE STATEMENT**

The Directors of Australian Small Scale Offerings Board Limited (ASSOB) are committed to maintaining the highest standards of corporate governance.

ASSOB has been guided by the principles of corporate governance promoted by the National Stock Exchange of Australia (NSX).

ASSOB's governance arrangements have been consistent with these principles and this statement outlines the main corporate governance practices followed by the Company throughout the reporting period.

ASSOB's corporate governance arrangements are reviewed annually by the ASSOB Board and updated where appropriate to reflect current practices. ASSOB's corporate governance statement is available on the ASSOB website at <http://www.assob.com.au/about.asp?page=8>. Below is a summary of items included in ASSOB's corporate governance statement.

### **Board of directors**

The Board is responsible for guiding and monitoring the performance of the group of companies.

The responsibilities of the Board, its size and composition, the role of the Chairman and other Board related information are detailed in the Board charter.

The Board's conduct is governed by ASSOB's code of conduct.

### **Trading in ASSOB securities**

The ASSOB Securities Dealing Policy places restrictions on dealing in securities by ASSOB directors and employees.

### **Risk management**

ASSOB views effective risk management as key to achieving and maintaining its operational and strategic objectives.

A summary of ASSOB's risk management practices is available in the Corporate Governance Statement.

### **Code of conduct**

ASSOB's Code of Conduct promotes ethical and responsible decision-making by directors and employees.

### **Conflict handling arrangements**

ASSOB's conflict handling arrangements for Directors are detailed in our Board Charter.

### **Continuous disclosure**

ASSOB's continuous disclosure policy sets out the processes to ensure how it complies with its NSX Listing Rule 6.4 disclosure obligations. This policy is reviewed annually.

### **Shareholder engagement**

ASSOB aims to communicate concisely, accurately and in plain language with its shareholders. We will deal with shareholders fairly, transparently and openly.

### **AGM**

ASSOB's AGM will be on Tuesday 25 November 2014, at 2:00pm Gold Coast time, in the offices of WMS Accountants, A Suite 1401, Level 14, The Rocket, 203 Robina Town Centre Drive, Robina.

## AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED and its controlled entities for the financial year ended 30 June 2014. The information in the preceding Operating and Financial Review forms part of this Directors Report for the financial year ended 30 June 2014 and is to be read in conjunction with the following information:

### General Information

#### Directors

The following persons were directors of Australian Small Scale Offerings Board Limited during or since the end of the financial year up to the date of this report:

Mr Anthony Franz Lucien Puls  
Mr Paul Morrell Niederer  
Ms Susan Joan Williams  
Mr Christopher Patrick Tyrrell

Particulars of each Director's experience and qualifications are set out later in this report.

#### Dividends Paid or Recommended

There were no dividends paid or recommended for the period.

#### Indemnifying Officers or Auditor

During the year, Directors and Executive officers of the Group were insured as part of an insurance policy undertaken against a liability of a nature that is required to be disclosed under the Corporations Act. In accordance with the Corporations Act 2001 further details have not been disclosed due to confidentiality provisions in the insurance contract.

#### Proceedings on Behalf of Company

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

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

#### Non-audit Services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or Group are important.

The board of directors has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and that none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The following fees were paid or payable to Rothsay Chartered Accountants for non-audit services provided during the year ended 30 June 2014:

	\$
Audit services	18,500
Non-audit services	-
	<u>18,500</u>

#### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 10 of the Financial Report.

#### Options

At the date of this report, the unissued ordinary shares of Australian Small Scale Offerings Board Limited under option are as follows

Grant Date	Date of expiry	Exercise price	Number under option
30/06/2013	30/06/2018	\$ 0.0369	28,900,000
			<u>28,900,000</u>

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity, however, the number of options will be adjusted to take into account any future issue of shares with the exception of 6 million shares that have been allowed in the subscription agreement for a future employee share scheme.

There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

#### ASIC Class Order 98/100 Rounding of Amounts

The company is not a kind referred to in ASIC Class Order 98/100 so there is no rounding in the directors' report or financial report.

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DIRECTORS' REPORT**

**Information relating to Directors and Company Secretary**

Mr Anthony Franz Lucien Puls	—	Chairman and Founder, Non-independent Director
Qualifications	—	Dip REIA
Experience	—	Specialist experience in Class Order 02/273 and Section 708 of the Corporations Act, 2001
Interest in Shares and Options	—	Ordinary Shares: 49,642,800; Options: Nil
Mr Paul Morrell Niederer	—	Non-independent Director, Chief Executive Officer
Qualifications	—	B.Comm Accounting
Experience	—	Experience as CEO of ASX listed company and extensive business establishment and expansion
Interest in Shares and Options	—	Ordinary Shares: 401,333; Options: Nil
Directorships held in other listed entities during the three years prior to the current year	—	Former director of Pearl Healthcare (ASX:PHL)
Ms Susan Joan Williams	—	Non-Independent Director, Company Secretary
Qualifications	—	MAICD, FCPA, FGIA, FCIS, BA(Acc), MBA(Int.Bus.), Grad.Dip.App.Corp.Gov.
Experience	—	Experience as CFO and Company Secretary of ASX listed company, extensive corporate finance governance and administration experience across diverse industries
Interest in Shares and Options	—	Ordinary Shares: 43,333; Options: Nil
Mr Christopher Patrick Tyrrell	—	Non-Executive Director
Experience	—	Over 15 years' experience in entrepreneurship, technology and capital markets as well as extensive legal and financial experience
Interest in Shares and Options	—	Ordinary Shares: 36,550,000; Options: 28,900,000 - Indirect interest (being the president and manager of US Platform Development Group Inc., the share and option holder).

**Company Secretary**

The following persons held the position of company secretary at the end of the financial year:

Ms Susan Williams FGIA, FCIS, MAICD, FCPA, BA(Acc), MBA(Int.Bus.), Grad.Dip.App.Corp.Gov. was appointed as Company Secretary in September 2008. Ms Williams is a Fellow of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators, a member of the Australian Institute of Company Directors and a fellow of CPA Australia. She is currently Company Secretary of a number of organisations and has previously been Company Secretary and Chief Financial Officer of an ASX listed company.

Ms Terrina Planincic (LLB(Hons) BBus(IntBus) GIA(Cert)) was appointed as joint Company Secretary on 8 July 2014. Specialist fields include corporate, securities law and private equity, with a former background in property and migration [au.linkedin.com/pub/terrina-planincic/56/7aa/110/].

**Meetings of Directors**

During the financial year, 10 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Nomination Committee		Remuneration Committee		Finance and Operations Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Anthony Puls	10	10	-	-	-	-	-	-	-	-
Mr Paul Morrell Niederer	10	10	-	-	-	-	-	-	-	-
Ms Susan Joan Williams	10	10	-	-	-	-	-	-	-	-
Mr Christopher Tyrrell	10	10	-	-	-	-	-	-	-	-



# AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES REMUNERATION REPORT

## Remuneration policy

The remuneration policy of Australian Small Scale Offerings Board Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The board of Australian Small Scale Offerings Board Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high-quality KMP to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated group is as follows:

- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The Board reviews KMP packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed biannually with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria.

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which is currently 9.25% of the individual's average weekly ordinary time earnings (AWOTE). Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. KMP are paid a percentage of between 0% – 25% of their salary in the event of redundancy.

All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is not to remunerate non-executive directors at this time. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

## Performance-based Remuneration

The KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Australian Small Scale Offerings Board Limited bases the assessment on audited figures.

## Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on KPI, and the second being the approval by Members at the 2013 AGM for the creation of an employee share scheme and issue of up to 6 million shares. As at the date of the report no employee share scheme has been established and no shares or options issued.

The following table shows the gross revenue, profits and dividends for the last five years for the listed entity, as well as the share prices at the end of the respective financial years.

	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$
Revenue	983,301	902,274	842,636	561,483	306,439
Net Profit	3,591	(117,259)	(207,375)	(310,584)	(473,483)
Share Price at Year-end	0.20	0.20	0.20	0.20	0.20
Dividends Paid	-	-	-	-	-

## Performance Conditions Linked to Remuneration

No performance related incentives were paid during the year or up to the date of this report.

## Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position Held as at 30 June 2014 and any change during the year	Contract details (duration & termination)
<b>Group KMP</b>		
Mr Anthony Franz Lucien Puls	Chairman	Contract for funding strategist and training services.
Mr Paul Morrell Niederer	Chief Executive Officer	Three (3) months notice, or in lieu of notice, pay three (3) months' salary.
Ms Susan Joan Williams	Director and Secretary	Contract for company secretarial services through entity.
Mr Christopher Patrick Tyrrell	Non-executive director	Nil
<b>Other Executives</b>		
Ms Terrina Planincic	Legal Counsel	Three (3) months notice, or in lieu of notice, pay three (3) months salary.

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REMUNERATION REPORT**

	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
	Non-salary cash based incentives %	Shares/ Units %	Options/ Rights %	Fixed Salary/Fees %	Total %
<b>Group KMP</b>					
Mr Anthony Franz Lucien Puls	-	-	-	100	100
Mr Paul Morrell Niederer	-	-	-	100	100
Ms Susan Joan Williams	-	-	-	100	100
Mr Christopher Patrick Tyrrell	-	-	-	100	100
<b>Other Executives</b>					
Ms Terrina Planincic	-	-	-	100	100

The employment terms and conditions of all KMP are formalised in contracts of employment.

Terms of employment require that the relevant group entity provide a non-casual executive contracted person with a minimum of one months notice prior to termination of contract. Termination payments of between 0% – 25% of their salary are generally payable. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least one to three months notice. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

**Note A:**

Non-executive directors are not subject to similar contractual arrangements and no notice is required to be given on termination. No termination payments are payable to directors on termination.

**Changes in Directors and Executives Subsequent to Year-end**

There were no changes in directors and executives subsequent to year-end.

**Remuneration Expense Details for the Year Ended 30 June 2014**

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in accordance with Australian Accounting Standards:

**Table of Benefits and Payments for the year ended 30 June 2014**

	Short-term benefits		Post Employment Benefits	
	Salary, Fees and Leave \$	Profit Share and bonuses \$	Pension and superannuation \$	
<b>2014</b>				
<b>Group KMP</b>				
Mr Anthony Franz Lucien Puls	28,613	-	2,646	
Mr Paul Morrell Niederer	138,168	-	11,655	
Ms Susan Joan Williams	-	-	-	
Mr Christopher Patrick Tyrrell	-	-	-	
<b>Total KMP</b>	<b>166,781</b>	<b>-</b>	<b>14,301</b>	
<b>Other Executives</b>				
Ms Terrina Planincic	90,792	-	7,622	

	Long-term benefits	Equity-settled share-based payments	Termination benefits	Total
	LSL \$	Shares/Options \$	\$	\$
<b>2014</b>				
<b>Group KMP</b>				
Mr Anthony Franz Lucien Puls	-	-	-	31,259
Mr Paul Morrell Niederer	3,869	-	-	153,692
Ms Susan Joan Williams	-	-	-	-
Mr Christopher Patrick Tyrrell	-	-	-	-
<b>Total KMP</b>	<b>3,869</b>	<b>-</b>	<b>-</b>	<b>184,951</b>
<b>Other Executives</b>				
Ms Terrina Planincic	4,889	-	-	103,303

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	Short-term benefits		Post Employment Benefits
	Salary, Fees and Leave	Profit Share and bonuses	Pension and superannuation
	\$	\$	\$
<b>2013</b>			
<b>Group KMP</b>			
Mr Anthony Franz Lucien Puls	5,538	-	199
Mr Paul Morrell Niederer	128,423	13,080	11,558
Ms Susan Joan Williams	-	-	-
Mr Christopher Patrick Tyrrell	-	-	-
<b>Total KMP</b>	<b>133,961</b>	<b>13,080</b>	<b>11,757</b>
<b>Other Executives</b>			
Ms Terrina Planincic	86,985	-	7,559

	Long-term benefits	Equity-settled share-based payments	Termination benefits	Total
	LSL	Shares/Options		
	\$	\$	\$	\$
<b>2013</b>				
<b>Group KMP</b>				
Mr Anthony Franz Lucien Puls	-	-	-	5,737
Mr Paul Morrell Niederer	-	-	-	153,061
Ms Susan Joan Williams	-	-	-	-
Mr Christopher Patrick Tyrrell	-	-	-	-
<b>Total KMP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158,798</b>
<b>Other Executives</b>				
Ms Terrina Planincic	-	-	-	94,543

**Securities Received that are not Performance Related**

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

**Cash Bonuses, Performance-Related Bonuses and Share-based Payments**

No cash bonuses, performance-related bonuses or share-based payments were provided during the year or up to the date of this report.

**Options and Rights Granted as Remuneration**

No options, rights or shares were granted as remuneration during the year or up to the date of this report.

**KMP Shareholdings**

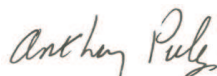
The number of ordinary shares in Australian Small Scale Offerings Board Limited held by each KMP of the Group during the financial year is as follows:

	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Charges during the Year	Balance at End of Year
Mr Anthony Franz Lucien Puls	49,642,800	-	-	-	49,642,800
Mr Paul Morrell Niederer	401,333	-	-	-	401,333
Ms Susan Joan Williams	43,333	-	-	-	43,333
Mr Christopher Patrick Tyrrell (indirect interest through US Platform Development Group Inc.)	36,550,000	-	-	-	36,550,000
	<b>86,637,466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,637,466</b>

**Other KMP Transactions**

Ms Susan Williams provided the group company secretarial and other related services amounting to \$26,600 during the financial year.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



.....  
**Mr Anthony Franz Lucien Puls**

Dated: 29/09/2014



## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of Australian Small Scale Offerings Board Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Australian Small Scale Offerings Board Limited and the entities it controlled during the year.

**Frank Vrachas**  
Partner

**Rothsay Chartered Accountants**

Sydney, 29 September 2014

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**  
**A.C.N. 109 469 383**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2014**

		Consolidated Group		Parent Entity	
	Note	2014 \$	2013 \$	2014 \$	2013 \$
<b>Continuing operations</b>					
<b>Revenue</b>	2	295,939	551,784	53	-
Other income	2	10,500	9,699	-	-
Employee benefits expense		(326,069)	(365,981)	-	-
Sales and marketing expenses		(4,432)	(6,965)	-	-
Bad Debts expense		(14,583)	(15,782)	-	-
Cost of sales		(3,050)	(26,950)	-	-
Occupancy costs		(51,535)	(67,959)	-	-
Depreciation and amortisation expense		(55,651)	(40,384)	-	-
Finance costs		(45,899)	(44,849)	(26)	-
Other expenses		(120,362)	(259,860)	(104,721)	(109,693)
Professional Expenses		(158,341)	(43,337)	-	-
<b>Profit before income tax</b>	3	(473,483)	(310,584)	(104,694)	(109,693)
Tax expense	4	23,815	(14,941)	29,917	42,311
<b>Net Profit for the year</b>	3	(449,668)	(325,525)	(74,777)	(67,382)
<b>Other comprehensive income for the year</b>		-	-	-	-
<b>Total comprehensive income for the year</b>		(449,668)	(325,525)	(74,777)	(67,382)
Net profit attributable to:					
Members of the parent entity		(449,668)	(325,525)	(74,777)	(67,382)
Non-controlling interest		-	-	-	-
		(449,668)	(325,525)	(74,777)	(67,382)
Total comprehensive income attributable to:					
Members of the parent entity		(449,668)	(325,525)	(74,777)	(67,382)
Non-controlling interest		-	-	-	-
		(449,668)	(325,525)	(74,777)	(67,382)
<b>Earnings per share</b>					
Basic earnings per share (cents)	7	(0.25)	(0.23)	N/A	N/A
Diluted earnings per share (cents)	7	(0.22)	(0.23)	N/A	N/A

The accompanying notes form part of these financial statements.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**  
**A.C.N. 109 469 383**  
**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014**

		Consolidated Group		Parent Entity	
		2014	2013	2014	2013
	Note	\$	\$	\$	\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	8	73,602	49,144	67,000	-
Trade and other receivables	9	31,792	691,416	29,917	673,222
Other assets	14	60,125	6,400	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>165,519</b>	<b>746,960</b>	<b>96,917</b>	<b>673,222</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	9	-	-	49,887	-
Other financial assets	10	-	-	100	100
Property, plant and equipment	12	26,008	36,623	-	-
Deferred tax assets	17	-	-	-	-
Intangible assets	13	44,268	78,679	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>70,276</b>	<b>115,302</b>	<b>49,987</b>	<b>100</b>
<b>TOTAL ASSETS</b>		<b>235,795</b>	<b>862,262</b>	<b>146,904</b>	<b>673,322</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	15	148,287	236,101	28,300	28,300
Borrowings	16	-	60,000	-	-
Current tax liabilities	17	-	-	-	-
Provisions	18	44,048	62,842	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>192,335</b>	<b>358,943</b>	<b>28,300</b>	<b>28,300</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	16	456,501	456,501	-	451,641
Deferred tax liabilities	17	-	-	-	-
Other provisions	18	8,758	4,710	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>465,259</b>	<b>461,211</b>	<b>-</b>	<b>451,641</b>
<b>TOTAL LIABILITIES</b>		<b>657,594</b>	<b>820,154</b>	<b>28,300</b>	<b>479,941</b>
<b>NET ASSETS</b>		<b>(421,799)</b>	<b>42,108</b>	<b>118,604</b>	<b>193,381</b>
<b>EQUITY</b>					
Issued capital	19	16,017,933	16,032,172	16,086,480	16,086,480
Retained earnings		(16,439,732)	(15,990,064)	(15,967,876)	(15,893,099)
Parent interest		(421,799)	42,108	118,604	193,381
Non-controlling interest		-	-	-	-
<b>TOTAL EQUITY</b>		<b>(421,799)</b>	<b>42,108</b>	<b>118,604</b>	<b>193,381</b>

The accompanying notes form part of these financial statements.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**  
**A.C.N. 109 469 383**  
**STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014**

	Ordinary Share Capital \$	Retained Earnings \$	Total \$
<b>Consolidated Group</b>			
<b>Balance at 1 July 2012</b>	15,292,480	(15,664,539)	(372,059)
Profit for the year	-	(325,525)	(325,525)
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	(325,525)	(325,525)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>			
Shares issued during the year	794,000	-	794,000
Transaction costs	(54,308)	-	(54,308)
<b>Total transactions with owners and other transfers</b>	739,692	-	739,692
<b>Balance at 30 June 2013</b>	16,032,172	(15,990,064)	42,108
<b>Balance at 1 July 2013</b>	16,032,172	(15,990,064)	42,108
Profit for the year	-	(449,668)	(449,668)
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	(449,668)	(449,668)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>			
Shares issued during the year	-	-	-
Transaction costs	(14,239)	-	(14,239)
<b>Total transactions with owners and other transfers</b>	(14,239)	-	(14,239)
<b>Balance at 30 June 2014</b>	16,017,933	(16,439,732)	(421,799)
<b>Parent Entity</b>			
<b>Balance at 1 July 2012</b>	15,292,480	(15,825,717)	(533,237)
Profit for the year	-	(67,382)	(67,382)
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	(67,382)	(67,382)
<b>Transactions with owners, in their capacity as owners and other transfer</b>			
Shares issued during the year	794,000	-	794,000
<b>Total transactions with owners and other transfers</b>	794,000	-	794,000
<b>Balance at 30 June 2013</b>	16,086,480	(15,893,099)	193,381
<b>Balance at 1 July 2013</b>	16,086,480	(15,893,099)	193,381
Profit for the year	-	(74,777)	(74,777)
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	(74,777)	(74,777)
<b>Transactions with owners, in their capacity as owners and other transfer</b>			
Shares issued during the year	-	-	-
Transaction costs	-	-	-
<b>Total transactions with owners and other transfers</b>	-	-	-
<b>Balance at 30 June 2014</b>	16,086,480	(15,967,876)	118,604

The accompanying notes form part of these financial statements.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**  
**A.C.N. 109 469 383**  
**STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Consolidated Group		Parent Entity	
		2014	2013	2014	2013
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers		315,520	556,456	-	-
Dividends received		-	-	-	-
Interest received		6,248	2,306	53	-
Other income		-	9,699	-	-
Payments to suppliers and employees		(820,297)	(740,038)	(104,748)	(95,393)
Finance costs		(58,547)	(28,053)	-	-
Income tax refunded		46,511	54,439	46,511	54,438
Net cash provided by operating activities	22a	(510,565)	(145,191)	(58,184)	(40,955)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from issue of shares		-	150,000	-	-
Purchase of property, plant and equipment		(11,346)	(14,034)	-	-
Loans to related parties:					
- payments made		-	-	-	-
- proceeds from repayments		-	17,582	125,184	-
Net cash used in investing activities		(11,346)	153,548	125,184	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of shares		626,711	-	-	-
Costs of raising capital		(20,342)	-	-	-
Loans from related parties					
- payments made		(60,000)	(17,582)	-	-
- proceeds from borrowings		-	27,500	-	40,955
Net cash provided by (used in) financing activities		546,369	9,918	-	40,955
Net increase in cash held		24,458	18,275	67,000	-
Cash and cash equivalents at beginning of financial year		49,144	30,869	-	-
Cash and cash equivalents at end of financial year	8	73,602	49,144	67,000	-

The accompanying notes form part of these financial statements.



**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**  
**A.C.N. 109 469 383**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

These consolidated financial statements and notes represent those of Australian Small Scale Offerings Board Limited and Controlled Entities (the "consolidated group" or "group").

The financial statements were authorised for issue on 29 September 2014 by the directors of the company.

**Note 1 Summary of Significant Accounting Policies**

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Going Concern**

As at 30 June 2014 the group has incurred a loss of \$449,668 (2013: \$325,525), net operating cash outflows of \$510,565 (2013: outflows of \$145,192) and net liabilities of \$421,799 (2013: net assets \$42,108)

Notwithstanding the above, the Financial Report has been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors are of the opinion that the group will continue to be able to meet its obligations as they become due and payable over the next twelve months. In determining this basis, the directors have had regard to the following:

- Newly implemented national roll out of "Regional Funding Hubs" that provides training and customisation income;
- Regional Funding Hubs will also provide new deal flow and increases the number of issuers;
- Continual focus on matching operational income and outgoing to achieve positive cash flows;
- Increased cash flows expected from the strategic change implemented by the Group post 1 July 2014 in directly delivering its services to companies seeking access to ASSOB's online capital raising platform who have chosen not to engage an ASSOB Sponsor. This strategy matches a market shift of startup and early stage companies to smaller tranche based raises while Sponsors handle the larger more resource intensive raises.
- Continued support and funding from a director to provide funds as and when required.

The Financial Report has therefore been prepared on the basis of a going concern. This basis presumes that funds from the above sources will be available to finance future operations, and to repay liabilities and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

However, the directors note that if sufficient funds are not raised through the abovementioned sources, there is a material uncertainty that may cast significant doubt whether the Group can continue as a going concern with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report.

**(a) Principles of Consolidation**

The consolidated financial statements incorporates all of the assets, liabilities and results of the Australian Small Scale Offerings Board Limited (Parent) 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 11.

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. Inter-company 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.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

**Subsidiaries**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align with the policies adopted by the Group.

In the Parent Entity's financial statements, investments in subsidiaries are carried at cost.

**Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**  
**A.C.N. 109 469 383**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**Goodwill**

Goodwill and goodwill on consolidation are 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. Goodwill on acquisitions of subsidiaries is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**(b) Income Tax**

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

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

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, 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 and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

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

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

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

**(c) Property, Plant and Equipment**

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

**Plant and equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**Subsequent costs**

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the profit or loss as an expense when incurred.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	3-10 years

**(d) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising 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 recognised 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 lease term.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**

**A.C.N. 109 469 383**

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

**(e) Financial Instruments**

**Recognition and Initial Measurement**

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over 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 amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

**(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, derivatives not held for hedging purposes, or when they are 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 amount being included in profit or loss.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(iii) Held-to-maturity investments**

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

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. 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 other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Non-derivative financial instruments**

Non-derivative financial instruments comprise other financial instruments, trade and other receivables, cash and cash equivalents, borrowings, and trade and other payables.

Non-derivative financial instruments are recognised at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as detailed in the following paragraphs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**

**A.C.N. 109 469 383**

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

**Share capital**

(i) *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related tax effects.

(ii) *Repurchase of share capital*

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity.

(iii) *Dividends*

Dividends are recognised as a liability in the period in which they are declared.

**Impairment**

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 assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. 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.

**(f) Impairment of Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

**(g) Intangibles Other than Goodwill**

**Computer software**

Expenditure on software development activities whereby development is applied to plan or design improved products and processes, is capitalised if the product is technically and commercially feasible and the Group has sufficient resources to complete the development. Costs directly attributable to the development of software are capitalised including salaries of programmers in creating new enhancements to the software.

Expenditure on research activities, undertaken with the prospect of enhancing software is recognised in profit or loss as an expense as incurred.

Maintenance costs of internally developed software are expensed in profit or loss.

The cost of software purchased from third parties and licensed to customers for use is capitalised.

**Other intangible assets**

Other intangible assets comprising computer relationships, brand names, and non-compete agreements that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

**(h) Foreign Currency Transactions and Balances**

**Functional and presentation currency**

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

**Transaction and balances**

Foreign currency gains and losses are reported on a net basis.

**(i) Employee Benefits**

**Short-term employee benefits**

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from the employee's services provided to reporting date. The amounts are undiscounted and based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and superannuation. Non-accumulating non-monetary benefits, such as cars, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service by the employee, and the obligation can be estimated reliably.

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**Other long-term employee benefits**

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related services is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**Retirement benefit obligations**

*Defined contribution superannuation benefits*

All employees of the Group other than those that receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.25% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

**Termination benefits**

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**Equity-settled compensation**

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except for those that fail to vest due to market conditions not being met.

When the Company grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investments in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

**(j) 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.

**(k) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

**(l) Revenue and Other Income**

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

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

**(m) Trade and Other Receivables**

Trade and other receivables are measured at the amount receivable less any provisions for doubtful debts. Refer to Note 1(f) for further discussion on the determination of impairment losses.

**(n) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(o) Borrowing Costs**

Borrowing costs that do not relate to qualifying assets are recognised in profit or loss in the period in which they are incurred.

**(p) 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

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**(q) Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

**(r) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

**(s) Rounding of Amounts**

The company is not of a kind referred to in ASIC Class Order 98/100 so there is no rounding in the directors' report or financial report.

**(t) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements 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.

**Key Estimates**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty remain the same as those applied in the 2013 financial report.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(i) *Note 13 - Intangible Assets*

(ii) *Note 18 - Provisions*

(iii) *Note 19 - Issued Capital*

The directors evaluate estimates and judgments incorporated into the financial statements 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.

**(u) Earnings per Share**

The Company presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**(v) New class order [CO 10/654]**

[CO 10/654] permits entities to continue to include parent entity financial statements in their financial reports. Entities taking advantage of the relief are not required to present the summary parent entity information otherwise required by regulation 2M.3.01.

**(w) New Accounting Standards for Application in Future Periods**

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

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

The revisions made to AASB 9 are not expected to significantly impact the Group's financial statements.

- 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.



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

**Note 2 Revenue and Other Income**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>(a) Revenue from continuing operations</b>				
Sales revenue				
— provision of services	289,638	549,478	-	-
	<u>289,638</u>	<u>549,478</u>	<u>-</u>	<u>-</u>
Other revenue				
— interest received	6,301	2,306	53	-
	<u>6,301</u>	<u>2,306</u>	<u>53</u>	<u>-</u>
Total revenue	295,939	551,784	53	-
Other income				
— other income	10,500	9,699	-	-
Total other income	<u>10,500</u>	<u>9,699</u>	<u>-</u>	<u>-</u>
Interest revenue from:				
— other persons	6,301	2,306	53	-
Total interest revenue on financial assets not at fair value through profit or loss	<u>6,301</u>	<u>2,306</u>	<u>53</u>	<u>-</u>

**Note 3 Profit for the Year**

	<b>Note</b>	Consolidated Group		Parent Entity	
		2014	2013	2014	2013
		\$	\$	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:					
(a) Expenses					
Cost of sales		3,050	26,950	-	-
Interest expense on financial liabilities not at fair value through profit or loss:					
— Directors	24	24,170	24,531	-	-
— Related parties	24	15,864	15,864	-	-
— Unrelated parties		5,865	4,454	-	-
Total finance cost		<u>45,899</u>	<u>44,849</u>	<u>-</u>	<u>-</u>
Occupancy costs		51,535	67,959	-	-
Employee benefits expense					
— defined contribution superannuation expense		27,945	25,749	-	-
Bad and doubtful debts:					
— trade receivables		14,583	15,782	-	-
Total bad and doubtful debts		<u>14,583</u>	<u>15,782</u>	<u>-</u>	<u>-</u>
Loss on disposal of property, plant and equipment		719	9,617	-	-

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**Note 4 Tax Expense**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
(a) The components of tax (expense)/income comprise:				
Current tax	(23,815)	(46,511)	(29,917)	(46,511)
Deferred tax not brought to account	-	61,452	-	4,200
	<u>(23,815)</u>	<u>14,941</u>	<u>(29,917)</u>	<u>(42,311)</u>
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2013: 30%)				
— consolidated group	(142,045)	(93,175)		
— parent entity			(31,408)	(32,908)
Less:				
Tax effect of:				
— R & D income tax refund	(29,917)	(46,511)	(29,917)	(46,511)
— Tax losses not brought to account	17 142,045	93,175	31,408	32,908
— Deferred tax not brought to account	-	61,452	-	4,200
— Capital raising costs	6,102	-	-	-
Income tax attributable to entity	<u>(23,815)</u>	<u>14,941</u>	<u>(29,917)</u>	<u>(42,311)</u>
The applicable weighted average effective tax rates are as follows:	5.0%	-4.8%	28.6%	38.6%

The deferred tax asset was not recognised for the years ended 30 June 2013 and 30 June 2014 as it is not considered probable that the taxable profit will be available against which the deductible temporary difference can be utilised. As such, there are unused tax assets in the above tax note that will be recognised once future profits are probable.

**Note 5 Key Management Personnel Compensation**

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 (KMP) for the year ended 30 June 2014.

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

	2014	2013
	\$	\$
Short-term employee benefits	166,781	158,798
Post-employment benefits	14,301	11,757
Other long term benefits	3,869	-
Total KMP compensation	<u>184,951</u>	<u>170,555</u>

Short-term employee benefits

- these amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

- these amounts are the current year's estimated cost of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Further information in relation to KMP remuneration can be found in the Director's Remuneration Report.

**Note 6 Auditors' Remuneration**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
Remuneration of the auditor for:				
— auditing or reviewing the financial report	18,500	14,000	18,500	14,000
	<u>18,500</u>	<u>14,000</u>	<u>18,500</u>	<u>14,000</u>



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**Note 7 Earnings per Share**

	Consolidated Group	
	2014	2013
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Profit	(449,668)	(325,525)
Profit attributable to non-controlling equity interest	-	-
Redeemable and converting preference share dividends	-	-
Earnings used to calculate basic EPS	(449,668)	(325,525)
Dividends on converting preference shares		
Earnings used in the calculation of dilutive EPS	(449,668)	(325,525)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	177,650,001	141,963,965
Weighted average number of dilutive options outstanding	28,900,000	79,178
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	206,550,001	142,043,143

**Note 8 Cash and Cash Equivalents**

	Note	Consolidated Group		Parent Entity	
		2014	2013	2014	2013
		\$	\$	\$	\$
Cash at bank and on hand		73,602	49,144	67,000	-
Short-term bank deposits		-	-	-	-
	25	73,602	49,144	67,000	-

**Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	73,602	49,144	67,000	-
Bank overdrafts	-	-	-	-
	73,602	49,144	67,000	-

**Note 9 Trade and Other Receivables**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Trade receivables	1,875	18,194	-	-
Provision for impairment	-	-	-	-
	1,875	18,194	-	-
Other receivables				
— Unpaid capital receivable	-	626,711	-	626,711
— Income tax receivable	29,917	46,511	29,917	46,511
Total current trade and other receivables	31,792	691,416	29,917	673,222
NON-CURRENT				
Loans from controlled entities	-	-	-	-
— wholly-owned entities	-	-	49,887	-
Total non-current trade and other receivables	-	-	49,887	-

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The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with 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.

<b>Consolidated Group</b>	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
<b>2014</b>							
Trade and term receivables	1,875	-	1,875	-	-	-	1,875
Other receivables	29,917	-	-	-	-	29,917	N/A
<b>Total</b>	<b>31,792</b>	<b>-</b>	<b>1,875</b>	<b>-</b>	<b>-</b>	<b>29,917</b>	<b>1,875</b>

<b>Consolidated Group</b>	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
<b>2013</b>							
Trade and term receivables	18,194	-	2,936	79	-	15,179	2,936
Other receivables	673,222	-	626,711	-	-	46,511	N/A
<b>Total</b>	<b>691,416</b>	<b>-</b>	<b>629,647</b>	<b>79</b>	<b>-</b>	<b>61,690</b>	<b>2,936</b>

<b>Parent Entity</b>	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
<b>2014</b>							
Trade and term receivables	49,887	-	-	-	-	49,887	N/A
Other receivables	29,917	-	-	-	-	29,917	N/A
<b>Total</b>	<b>79,804</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,804</b>	<b>-</b>

<b>Parent Entity</b>	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
<b>2013</b>							
Trade and term receivables	-	-	-	-	-	-	-
Other receivables	673,222	-	626,711	-	-	46,511	N/A
<b>Total</b>	<b>673,222</b>	<b>-</b>	<b>626,711</b>	<b>-</b>	<b>-</b>	<b>46,511</b>	<b>-</b>

		Consolidated Group		Parent Entity	
		2014	2013	2014	2013
(a) <b>Financial Assets Classified as Loans and Receivables</b>	<b>Note</b>	\$	\$	\$	\$
Trade and other Receivables					
— Total current		31,792	691,416	29,917	673,222
— Total non-current		-	-	49,887	-
		<b>31,792</b>	<b>691,416</b>	<b>79,804</b>	<b>673,222</b>
Financial assets	25	<b>31,792</b>	<b>691,416</b>	<b>79,804</b>	<b>673,222</b>

**Note 10 Other Financial Assets**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>NON-CURRENT</b>				
Financial assets at fair value through profit or loss	-	-	-	-
Available-for-sale financial assets	-	-	-	-
Held-to-maturity financial assets	-	-	-	-
Shares in subsidiaries	-	-	100	100
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>

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**Note 11 Interests in Subsidiaries**

**(a) Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	Ownership interest held by the Group	
		2014 (%)	2013 (%)
ASSOB Pty Ltd	Australia	100%	100%
ASSOB Capital Pty Ltd	Australia	100%	100%
Unlisted Services Pty Ltd	Australia	100%	100%
ASSOB Custodian Pty Ltd	Australia	100%	100%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

**(b) Acquisition of Controlled Entities**

There were no acquisitions of controlled entities and businesses during the year or preceding year.

**(c) Disposal of Controlled Entities**

There were no disposals of controlled entities and businesses during the year or preceding year.

**Note 12 Property, Plant and Equipment**

	Consolidated Group		Parent Entity	
	2014 \$	2013 \$	2014 \$	2013 \$
<b>PLANT AND EQUIPMENT</b>				
Plant and equipment:				
At cost	72,022	72,024	-	-
Accumulated depreciation	(46,014)	(35,401)	-	-
	<u>26,008</u>	<u>36,623</u>	<u>-</u>	<u>-</u>
Total plant and equipment	<u>26,008</u>	<u>36,623</u>	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>26,008</u>	<u>36,623</u>	<u>-</u>	<u>-</u>

**(a) Movements in Carrying Amounts**

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

	Plant and Equipment \$	Total \$
<b>Consolidated Group:</b>		
Balance at 1 July 2012	52,010	52,010
Additions	6,047	6,047
Disposals	(9,735)	(9,735)
Depreciation expense	(11,699)	(11,699)
Balance at 30 June 2013	<u>36,623</u>	<u>36,623</u>
Additions	1,079	1,079
Disposals	(1,079)	(1,079)
Depreciation expense	(10,615)	(10,615)
Balance at 30 June 2014	<u>26,008</u>	<u>26,008</u>

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**Note 13 Intangible Assets**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
Goodwill				
Cost	3,202,448	3,202,448	-	-
Accumulated impaired losses	(3,202,448)	(3,202,448)	-	-
Net carrying amount	-	-	-	-
Website				
Cost	187,470	177,203	-	-
Accumulated amortisation and impairment losses	(143,914)	(99,593)	-	-
Net carrying amount	43,556	77,610	-	-
Formation costs				
Cost	1,781	1,781	-	-
Accumulated amortisation and impairment losses	(1,069)	(712)	-	-
Net carrying amount	712	1,069	-	-
Total intangibles	44,268	78,679	-	-

Consolidated Group:	Goodwill	Website	Formation Costs	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2013</b>				
Balance at the beginning of the year	-	97,835	1,425	99,260
Additions	-	7,986	-	7,986
Disposals	-	-	-	-
Amortisation charge	-	(28,211)	(356)	(28,567)
Impairment losses	-	77,610	1,069	78,679
<b>Year ended 30 June 2014</b>				
Balance at the beginning of the year	-	77,610	1,069	78,679
Additions	-	10,268	-	10,268
Amortisation charge	-	(44,322)	(357)	(44,679)
Impairment losses	-	43,556	712	44,268
Closing value at 30 June 2014				

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill is not amortised but is tested for impairment annually.

**Note 14 Other Assets**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Prepayment of costs in joint venture	60,125	6,400	-	-
	60,125	6,400	-	-

These costs relate to legal fees incurred as a capital contribution to a Joint Venture (JV). The JV has not yet been incorporated. OfferBoard Global Broker Inc. is a wholly owned company in the US which will hold the shares in the JV and it is currently in the process of being incorporated by the group's US lawyers. The JV company incorporation agreement and licence agreements from US Platform Development Group Inc. and from ASSOBY Pty Ltd are currently being negotiated.

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**Note 15 Trade and Other Payables**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Trade payables	75,872	89,594	14,300	14,300
Sundry payables and accrued expenses	55,190	101,066	-	-
— Interest bearing liabilities	17,225	18,897	-	-
— Other payable	-	26,544	14,000	14,000
	<u>148,287</u>	<u>236,101</u>	<u>28,300</u>	<u>28,300</u>

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
(a) Financial liabilities at amortised cost classified as trade and other payables				
Trade and other payables				
— Total current	148,287	236,101	28,300	28,300
— Total non-current	-	-	-	-
	<u>148,287</u>	<u>236,101</u>	<u>28,300</u>	<u>28,300</u>
Less: other payables (net amount of GST payable)				
Financial liabilities as trade and other payables	<u>148,287</u>	<u>236,101</u>	<u>28,300</u>	<u>28,300</u>

**Note**

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**Note 16 Borrowings**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Loans from current and former shareholders	-	60,000	-	-
Total current borrowings	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
NON-CURRENT				
Unsecured liabilities				
Loans from controlled entities	-	-	-	451,641
Loans from current and former shareholders	307,198	307,198	-	-
Other non-current loans	149,303	149,303	-	-
Total non-current borrowings	<u>456,501</u>	<u>456,501</u>	<u>-</u>	<u>451,641</u>
Total borrowings	<u>456,501</u>	<u>516,501</u>	<u>-</u>	<u>451,641</u>

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**Note 17 Tax**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>CURRENT</b>				
Income tax payable	-	-	-	-
	-	-	-	-
<b>NON-CURRENT</b>				
<b>Consolidated Group</b>				
<b>Deferred tax liability</b>				
Property, plant and equipment				
- tax allowance	-	-	-	-
<b>Balance at 30 June 2013</b>	-	-	-	-
Property, Plant and Equipment				
- tax allowance	-	4,761	-	4,761
<b>Balance at 30 June 2014</b>	-	4,761	-	4,761
<b>Deferred tax assets</b>				
Provisions	38,177	(38,177)	-	-
Transaction costs on equity issue	-	-	-	-
Property, plant and equipment				
- impairment	-	-	-	-
<b>Balance at 30 June 2013</b>	38,177	(38,177)	-	-
Provisions	-	34,246	-	34,246
Transaction costs on equity issue	-	-	6,102	6,102
Property, plant and equipment				
- impairment	-	4,405	-	4,405
Deferred tax assets attributable to tax losses	-	525,373	-	525,373
<b>Balance at 30 June 2014</b>	-	564,024	6,102	570,126

**(a) Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following:	<b>2014</b>	<b>2013</b>
	\$	\$
Provisions	34,246	-
Transaction costs on equity issue	6,102	-
Property, plant and equipment	-	-
- impairment	4,405	-
Deferred tax assets attributable to tax losses	525,373	-
At the end of the reporting period	570,126	-

Deferred tax assets have not been recognised in respect of these items because it has not been deemed probable that future taxable profit will be available against which the Group can utilise the benefits therein.

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**Note 18 Provisions**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>CURRENT</b>				
Employee Benefits - Annual Leave				
Opening balance at 1 July	62,842	56,139	-	-
Additional provisions	801	6,703	-	-
Unused amounts reversed	(19,595)	-	-	-
Balance at 30 June	44,048	62,842	-	-

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>NON CURRENT</b>				
Employee Benefits - Long Service Leave				
Opening balance at 1 July	4,710	6,750	-	-
Additional provisions	4,048	-	-	-
Unused amounts reversed	-	(2,040)	-	-
Balance at 30 June	8,758	4,710	-	-

**Analysis of Total Provisions**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
Current	44,048	62,842	-	-
Non-current	8,758	4,710	-	-
Total Provisions	52,806	67,552	-	-

**Provision for Employee Benefits**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(r).

**Note 19 Issued Capital**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
Fully paid ordinary shares	16,086,480	16,086,480	16,086,480	16,086,480
Less: costs associated with raising share capital	(68,547)	(54,308)	-	-
	16,017,933	16,032,172	16,086,480	16,086,480

The company has authorised share capital amounting to 177,650,001 ordinary shares.

**(a) Ordinary Shares**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	No.	No.	No.	No.
At the beginning of the reporting period	177,650,001	140,678,948	177,650,001	140,678,948
Shares issued during the year				
— 25/07/2012	-	421,053	-	421,053
— 22/05/2013	-	7,407,750	-	7,407,750
— 30/06/2013	-	29,142,250	-	29,142,250
At the end of the reporting period	177,650,001	177,650,001	177,650,001	177,650,001

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity 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) Options**

- (i) Australian Small Scale Offerings Board issued 28,900,000 options to US Platform Development Group LLC on 30 June 2013. These options expire on 30 June 2018 at an exercise price of \$0.0369.

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**(c) Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, redeemable preference shares, convertible preference shares and financial liabilities, supported by financial assets.

The Group is not subject to any 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.

	Note	Consolidated Group		Parent Entity	
		2014	2013	2014	2013
		\$	\$	\$	\$
Total borrowings		604,788	752,602	28,300	479,941
Less cash and cash equivalents	8	(73,602)	(49,144)	(67,000)	-
Net debt		531,186	703,458	(38,700)	479,941
Total equity		(421,799)	42,108	118,604	193,381
Total capital		109,387	745,566	79,904	673,322
Gearing ratio		486%	94%	N/A	71%

**Note 20 Contingent Liabilities and Contingent Assets**

**(a) Termination Benefits**

In circumstances where the employment of Key Management Personnel is terminated without cause, three months' salary may be payable in lieu of notice

**Note 21 Operating Segments**

**General Information**

**(a) Description of 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. Operating segments are determined on the basis of financial information reported to the Board of Directors which is at the consolidated entity level. Accordingly, the consolidated entity is treated as one operating segment.

Therefore, management identified the group as having only one reportable segment. The financial results from this reportable segment are equivalent to the financial statements of the consolidated entity as a whole. There have been no changes in the operating segments during the year.

**(b) Basis of accounting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors which makes strategic decisions.

**(c) Entity-wide disclosures**

The group derives revenue from services and interest from Australia, the entity's main country of domicile. The group's non-current assets are all held in Australia. The group has no major customer.

**Note 22 Cash Flow Information**

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>(a) Reconciliation of Cash Flow from Operating Activities with Profit after Income Tax</b>				
Profit after income tax	(449,668)	(325,525)	(74,777)	(67,382)
Non-cash flows in profit				
Amortisation	356	356	-	-
Depreciation	55,295	40,028	-	-
Net (gain)/loss on disposal of property, plant and equipment	719	9,617	-	-
(Increase)/decrease in trade and term receivables	16,319	14,163	-	367
(Increase)/decrease in prepayments	(53,725)	-	-	-
(Increase)/decrease in other assets	6,102	26,209	-	-
Increase/(decrease) in trade payables and accruals	(195)	(6,257)	-	14,300
Increase/(decrease) in income taxes payable	(61,415)	96,759	16,594	-
Increase/(decrease) in deferred taxes payable	-	-	-	-
(Increase)/decrease in deferred taxes receivable	-	45,737	-	11,760
Increase/(decrease) in provisions	(24,353)	(46,279)	-	-
Cash flow from operating activities	(510,565)	(145,192)	(58,183)	(40,955)



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**Note 23 Events After the Reporting Period**

The financial report was authorised for issue on 29 September 2014 by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated entity, the results of those operations, or the state of affairs of the Consolidated entity in future financial years.

**Note 24 Related Party Transactions**

**Related Parties**

**(a) The Group's main related parties are as follows:**

i. **Entities exercising control over the Group:**

The ultimate parent entity that exercises control over the Group is Australian Small Scale Offerings Board Limited, which is incorporated in Australia.

ii. **Key Management Personnel:**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5.

iii. **Entities subject to significant influence by the Group:**

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iv. **Joint Venture Entities accounted for under the equity method:**

The Group does not have any interest in a joint venture entity.

v. **Other Related Parties**

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

**(b) Amounts payable to related parties**

**Trade and Other Payables**

Secured loans provided by key management personnel and other related parties on an arm's length basis. Interest is charged at 10% and is payable monthly.

	Consolidated Group		Parent Entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
i. <b>Loans from Other Key Management Personnel Related Entities</b>				
Beginning of the year	367,198	339,698	-	-
Loans advanced	-	27,500	-	-
Loan repaid	(60,000)	-	-	-
Interest charged	24,170	24,531	-	-
Interest paid	(24,170)	(24,531)	-	-
End of the year	307,198	367,198	-	-
ii. <b>Loans from Other Related Parties</b>				
Beginning of the year	149,303	149,303	-	-
Interest charged	15,864	15,864	-	-
Interest paid	(15,864)	(15,864)	-	-
End of the year	149,303	149,303	-	-

**Note 25 Financial Risk Management**

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group		Parent Entity	
		2014	2013	2014	2013
	Note	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	8	73,602	49,144	67,000	-
Loans and receivables	9e	31,792	691,416	79,804	673,222
<b>Total Financial Assets</b>		<u>105,394</u>	<u>740,560</u>	<u>146,804</u>	<u>673,222</u>
<b>Financial Liabilities</b>					
Financial liabilities at amortised cost					
— Trade and other payables	15	148,287	236,101	28,300	28,300
— Borrowings		456,501	516,501	-	451,641
<b>Total Financial Liabilities</b>		<u>604,788</u>	<u>752,602</u>	<u>28,300</u>	<u>479,941</u>

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**Financial Risk Management Policies**

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and Group's activities. The Company and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Company's and Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Company and Group.

**Specific Financial Risk Exposures and Management**

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

**a. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. For the Company it arises from receivables due from subsidiaries.

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries (refer Note 11(g) for details).

Collateral held by the Group securing receivables is detailed in Note 9(d).

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables is provided in Note 9.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 9.

**b. Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

**Financial liability and financial asset maturity analysis**

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Consolidated Group	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	148,287	236,101	-	-	-	-	148,287	236,101
Borrowings - principal	-	60,000	456,501	456,501	-	-	456,501	516,501
Borrowings - interest	-	6,000	45,650	45,650	-	-	45,650	51,650
Total contractual outflows	148,287	302,101	502,151	502,151	-	-	650,438	804,252
Less bank overdrafts							-	-
Total expected outflows	148,287	302,101	502,151	502,151	-	-	650,438	804,252

**c. Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings or financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

**i. Interest rate risk**

The Group does not adopt a policy of hedging its exposure to changes in interest rates.

**ii. Currency risk**

The group is not exposed to currency risk.

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**Fair Values**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments, which are carried at amortised cost (ie term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Group.

	Footnote	2014		2013	
		Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Consolidated Group					
Financial assets					
Cash and cash equivalents	(i)	73,602	73,602	49,144	49,144
Trade and other receivables	(i)	31,792	31,792	644,905	644,905
Income tax receivable	(iii)	29,917	29,917	46,511	46,511
Total financial assets		135,311	135,311	740,560	740,560
Financial liabilities					
Trade and other payables	(i)	148,287	148,287	236,101	236,101
Borrowings	(vii)	456,501	456,501	516,501	516,501
Total financial liabilities		604,788	604,788	752,602	752,602
	Footnote	2014		2013	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Parent Entity					
Financial assets					
Cash and cash equivalents	(i)	67,000	67,000	-	-
Trade and other receivables	(i)	49,887	49,887	626,711	626,711
Income tax receivable	(iii)	29,917	29,917	46,511	46,511
Total financial assets		146,804	146,804	673,222	673,222
Financial liabilities					
Trade and other payables	(i)	28,300	28,300	28,300	28,300
Total financial liabilities		28,300	28,300	28,300	28,300

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values. The fair values of receivables and payables are determined on the basis of an income approach using a discounted cash flow methodology. Discount rates are based on market interest rates for similar instruments and range between 7.8% and 9.3%, depending upon the nature of the instrument.
- (ii) Term receivables reprice to market interest rates every three months, ensuring carrying amounts approximate fair value.
- (iii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at the end of the reporting period for similar types of loans and advances. Differences between fair values and carrying amounts largely represent movements in the effective interest rate determined on initial recognition and current market rates.
- (iv) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (v) Fair values of held-to-maturity investments are based on closing quoted bid prices at the end of the reporting period.
- (vi) Quoted bid prices at the end of the reporting period are used as well as valuation techniques incorporating observable market data relevant to the hedged position.
- (vii) Discounted cash flow models are used that incorporate a yield curve appropriate to the remaining maturity of the debenture, bill or promissory note.
- (viii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will differ to the carrying amounts.

**Note 26 Company Details**

The registered office of the company is:

Suite 14 Riverwalk Place  
2 Waterfront Place  
Robina QLD 4226

The principal place of business is:

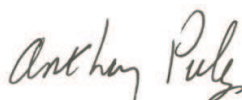
Suite 14 Riverwalk Place  
2 Waterfront Place  
Robina QLD 4226

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**  
**A.C.N. 109 469 383**  
**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Australian Small Scale Offerings Board Limited , the directors of the company declare that:

1. the financial statements and notes, as set out on pages 11 to 33, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. 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.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.



Director

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**Mr Anthony Franz Lucien Puls**

Dated this      29th      day of      September      2014

## INDEPENDENT AUDITOR'S REPORT

To the members of Australian Small Scale Offerings Board Limited

### Report on the Financial Report

We have audited the accompanying financial report of Australian Small Scale Offerings Board Limited and Controlled entities, which comprises the statements of financial position as at 30 June 2014, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that 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 that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been

given to the directors of Australian Small Scale Offerings Board Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### Opinion

In our opinion:

- (a) the financial report of Australian Small Scale Offerings Board Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their 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 Note 1.

### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of \$449,668 (2013: \$325,525) and net operating cash outflows of \$510,565 (2013: outflows of \$145,192) and net liabilities of \$421,799 (2013: net assets \$42,108) for the financial year ended 30 June 2014. These conditions, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

### Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 9 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.

### Opinion

In our opinion, the Remuneration Report of Australian Small Scale Offerings Board Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

### Rothsay Chartered Accountants



**Frank Vrachas**

Partner

Sydney, 29 September 2014

## NSX Additional information

Additional information required by the National Stock Exchange of Australia Listing Rules and not disclosed elsewhere.

## Shareholdings (as at 15 September 2014)

### Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number
Mr Anthony Franz Lucien Puls & Ms Paulette Susan Kulak	49,642,800
Mr Peter Stirling & Mrs Rosalind Stirling	47,995,110
US Platform Development Group Inc.	36,550,000
ABIL Holdings Ltd	17,402,290

### Security Classes

#### Fully Paid Ordinary Shares

Holdings Ranges	Holders	Total Units	%
1 – 1,000	12	12,000	0.007
1,001 – 5,000	26	73,692	0.041
5,001 – 10,000	6	52,796	0.030
10,001 – 100,000	56	2,903,620	1.634
100,001-99,999,999,999	75	174,607,893	98.288
	<b>175</b>	<b>177,650,001</b>	<b>100.000</b>

### Options

There are 28,900,000 options on issue and the sole option holder is US Platform Development Group Inc. The options have an exercise price of \$0.0369 and an expiry date of 30 June 2018.

### Warrants

There are no warrants

### Holders of less than marketable parcels

At 29 July 2014 there were 50 holders holding less than a marketable parcel.

### Restricted securities

There are no restricted securities on issue.

### Unquoted securities

There are 28,900,000 unquoted options on issue and the sole option holder is Platform Development Group Inc. The unquoted options have an exercise price of \$0.0369 and an expiry date of 30 June 2018.

### Securities Exchange

The Company is listed on the National Stock Exchange of Australia. The home exchange is Newcastle.

### Other information

Australian Small Scale Offerings Board Ltd, incorporated and domiciled on Australia, is a publicly listed Company limited by shares.

## NSX Additional information (continued)

### Ten largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
MR ANTHONY FRANZ LUCIEN PULS & MS PAULETTE SUSAN KULAK <PULSKULAK SUPER FUND A/C>	48,058,800	27.053
MR PETER STIRLING & MRS ROSALIND STIRLING	47,995,110	27.017
US PLATFORM DEVELOPMENT GROUP INC.	36,550,000	20.574
ABIL HOLDINGS LIMITED <REG NO 53667 A/C>	17,402,290	9.796
RED WATER DRAGON PTY LTD ACN 115 063 913 <RED WATER DRAGON INV A/C>	2,396,493	1.349
MRS GERALDINE MARY GOLDING	2,129,245	1.199
MR DAVID WILLIAM SPAIN	1,621,053	0.912
MR ANTHONY FRANZ LUCIEN PULS & MRS PAULETTE SUSAN KULAK	1,584,000	0.892
MARIAPILLAI PATHMANABAN <APPOORAN FAMILY A/C>	1,261,290	0.710
RYHAT ESTABLISHMENT	875,000	0.493
	<b>159,873,281</b>	<b>89.995</b>

## Offices and officers

### Company Secretary

Ms Susan Williams

Ms Terrina Planincic

### Registered Office

Australian Small Scale Offerings Board Limited

Suite 14 Riverwalk Place

2 Waterfront Place

Robina QLD 4226

Telephone: 1300 722 954

Facsimile: 1300 722 593

Email: [info@assob.com.au](mailto:info@assob.com.au)

Web: [www.assob.com.au](http://www.assob.com.au)

### Location of Share Registry

Boardroom Pty Limited

Level 7, 207 Kent Street

Sydney NSW 2000

Telephone: 1300 737 760, International: +61 2 9290 9600

Facsimile: 1300 653 459, International: +61 2 9279 0664

Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

Web: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)