

Dixon Advisory Group Limited

ABN 73 080 207 076

Consolidated Financial Statements

For the Year Ended 30 June 2015

Dixon Advisory Group Limited

ABN 73 080 207 076

Contents

For the Year Ended 30 June 2015

	<u>Page</u>
Financial Statements	
Directors' Report	1
Auditors' Independence Declaration under Section 307C of the Corporations Act 2001	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	22
Independent Audit Report	23

Dixon Advisory Group Limited

ABN 73 080 207 076

Directors' Report

For the Year Ended 30 June 2015

Your directors present their report on the consolidated entity (herein referred to as the Group) consisting of Dixon Advisory Group Limited and its controlled entities for the financial year ended 30 June 2015.

1. General Information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Alan Cochrane Dixon

Daryl Albert Dixon

Maximilian Sean Walsh

Tristan Aloysius O'Connell

Christopher Matthew Brown

Nerida Catherine Cole

Appointed 3 February 2015

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Simon Barnett (appointed 24 June 2015) held the position of Company Secretary at the end of the year.

Principal Activities

The principal activities of the Group during the financial year were the provision of financial advice, investment advice, legal services, property advisory services, property architecture, design and construction management, self-managed superannuation fund administration on behalf of clients, the management of investment companies and managed investment schemes and Responsible Entity services to managed investment schemes.

No significant change in the nature of these activities occurred during the year.

2. Business Review

Operating Results

The consolidated profit of the Group after providing for income tax amounted to \$21,414,434 (2014: \$16,796,334)

Dividends Paid or Declared

Fully franked dividends of \$19,095,000 were paid during the financial year.

3. Other Items

Significant Changes in State of Affairs

No significant changes in the Group's state of affairs occurred during the financial year.

After Balance Day Events

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

Dixon Advisory Group Limited

ABN 73 080 207 076

Directors' Report

For the Year Ended 30 June 2015

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 3.

4. Indemnifying Officers

The Group has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company or a controlled entity, other than conduct involving a wilful breach of duty in relation to the Company or a controlled entity.

5. Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

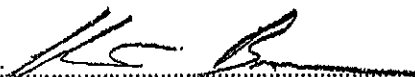
6. Proceedings on Behalf of Company

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


Neither the Company nor any of its controlled entities was a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Director:


Christopher Matthew Brown

Director:


Tristan Aloysius O'Connell

Dated 23 October 2015

Dixon Advisory Group Limited

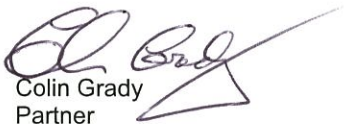
ABN 73 080 207 076

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DFK Laurence Varnay


Colin Grady
Partner

23 October 2015

Level 12, 222 Pitt Street Sydney

We make it happen!



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Level 12, 222 Pitt Street
Sydney NSW 2000

POSTAL ADDRESS

PO Box Q819 QVB NSW 1230

TELEPHONE +61 2 9264 5400

FACSIMILE +61 2 9264 9294

EMAIL office@dfklv.com.au
www.dfklv.com.au

Dixon Advisory Group Limited

ABN 73 080 207 076

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

		Consolidated	
	Note	2015	2014
		\$	\$
Revenue	2	142,723,027	103,975,921
Other income	2	1,304,117	1,154,481
Property design, renovation and maintenance		(52,279,525)	(28,927,668)
Employee benefits expense		(41,388,343)	(33,077,310)
Depreciation and amortisation expense		(1,612,522)	(1,267,453)
Other expenses		(20,061,744)	(17,348,269)
Finance costs		(44,527)	(71,683)
Profit before income tax		28,640,483	24,438,019
Income tax expense	5	(9,515,644)	(7,472,208)
Profit for the year		19,124,839	16,965,811
Other comprehensive income			
Unrealised foreign exchange differences		2,289,595	(169,477)
Total comprehensive income		21,414,434	16,796,334

The accompanying notes form part of these financial statements.

Dixon Advisory Group Limited

ABN 73 080 207 076

Statement of Financial Position

As At 30 June 2015

		Consolidated	
	Note	2015	2014
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	6	30,115,274	28,908,779
Trade and other receivables	7	17,913,171	12,418,925
Financial assets	8	567,405	282,090
Inventories	9	294,729	585,300
Other current assets	10	1,694,704	1,205,649
Total current assets		50,585,283	43,400,743
Non-current assets			
Trade and other receivables	7	-	2,688,845
Investments accounted for using the equity method	11	1,249,453	1,137,652
Property, plant and equipment	13	5,730,207	5,175,020
Investment property	14	1,588,550	1,588,550
Intangible assets	15	2,072,485	2,175,787
Deferred tax assets	23	5,333,862	3,394,708
Total non-current assets		15,974,557	16,160,562
TOTAL ASSETS		66,559,840	59,561,305
LIABILITIES			
Current liabilities			
Trade and other payables	16	5,687,773	6,792,144
Current tax liabilities	23	4,980,546	6,024,899
Short-term provisions	19	9,338,343	10,398,032
Other current liabilities	17	11,657,721	9,629,682
Total current liabilities		31,664,383	32,844,757
Non-current liabilities			
Trade and other payables	16	447,653	687,439
Financial liabilities	18	250,000	1,390,190
Deferred tax liabilities	23	657,372	289,113
Long-term provisions	19	7,251,096	379,904
Total non-current liabilities		8,606,121	2,746,646
TOTAL LIABILITIES		40,270,504	35,591,403
NET ASSETS		26,289,336	23,969,902
EQUITY			
Issued capital	20	7,510,917	7,510,917
Reserves		2,312,946	23,351
Retained earnings		16,465,473	16,435,634
TOTAL EQUITY		26,289,336	23,969,902

The accompanying notes form part of these financial statements.

Dixon Advisory Group Limited

ABN 73 080 207 076

Statement of Changes in Equity

For the Year Ended 30 June 2015

	2015			
	Consolidated			
	Ordinary Shares	Retained Earnings	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2014	7,510,917	16,435,634	23,351	23,969,902
Profit attributable to members	-	19,124,839	-	19,124,839
Other comprehensive income for the year	-	-	2,289,595	2,289,595
Dividends paid or provided for	-	(19,095,000)	-	(19,095,000)
Balance at 30 June 2015	7,510,917	16,465,473	2,312,946	26,289,336
2014				
Balance at 1 July 2013	7,510,917	9,187,337	192,828	16,891,082
Profit attributable to members	-	16,965,811	-	16,965,811
Other comprehensive income for the year	-	-	(169,477)	(169,477)
Derecognition of retained earnings of a former subsidiary - Dixon Advisory Law Pty Limited	-	(672,514)	-	(672,514)
Sub-total	-	16,293,297	(169,477)	16,123,820
Dividends paid or provided for	-	(9,045,000)	-	(9,045,000)
Balance at 30 June 2014	7,510,917	16,435,634	23,351	23,969,902

The accompanying notes form part of these financial statements.

Dixon Advisory Group Limited

ABN 73 080 207 076

Statement of Cash Flows

For the Year Ended 30 June 2015

		Consolidated	
	Note	2015	2014
		\$	\$
Cash from operating activities:			
Receipts from customers		142,194,214	112,759,982
Payments to suppliers and employees		(106,931,369)	(87,758,994)
Dividends received		-	1,191
Interest received		977,730	1,164,850
Interest paid		(44,527)	(71,683)
Income taxes refunded/(paid)		(12,130,892)	(8,544,881)
Net cash provided by (used in) operating activities	22	24,065,156	17,550,465
Cash flows from investing activities:			
Payments for investments in joint ventures/subsidiaries		(111,801)	(618,773)
Purchase of property, plant and equipment		(1,115,433)	(1,079,575)
Purchase of intangible assets		(871,136)	(1,090,977)
Purchase of financial assets		(285,315)	(193,064)
Loans to related parties - payments made		(239,786)	(3,299,944)
Net cash used in investing activities		(2,623,471)	(6,282,333)
Cash flows from financing activities:			
Proceeds from borrowings		-	622,509
Dividends paid by parent entity		(19,095,000)	(9,045,000)
Net cash provided by (used in) financing activities		(19,095,000)	(8,422,491)
Net increase in cash		2,346,685	2,845,641
Cash at beginning of financial year		27,518,589	24,672,948
Cash at end of financial year	6	29,865,274	27,518,589

The accompanying notes form part of these financial statements.

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies

(a) General Information

The financial report includes the consolidated financial statements and notes of Dixon Advisory Group Limited and controlled entities (the Group).

(b) Basis of Preparation

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

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

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

(c) Comparatives

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

(d) 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 less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group 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:

Plant and Equipment	7.5 - 37.5%
Furniture, Fixtures and Fittings	11.25%
Motor Vehicles	18.75 - 22.5%
Computer Equipment	37.5 - 50%
Computer Software	40%

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(d) Property, Plant and Equipment continued

The assets' residual values and useful lives are reviewed and adjusted if required at each balance sheet date.

(e) Investment Property

Investment Properties are initially measured at cost. Thereafter they are adjusted to the directors' estimate of fair value when it is determined that the fair value is significantly different from the book value.

(f) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial Assets at Fair Value Through Profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Any held-to-maturity investments held by the Group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial asset not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(f) Financial Instruments continued

Loans and Receivables continued

to the income statement unless they are designated as hedges.

Fair Value

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

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(i) 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.

(j) Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(k) Income Taxes

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

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(n) Adoption of new and revised accounting standards continued

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

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

(l) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Revenue from the rendering of services is recognised upon delivery of the services to the customers.

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

(m) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(n) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7/2012-6/2013-9/2014-1/2014-7/2014-8	30 June 2019	Changes to the classification and measurement requirements for financial assets and financial liabilities.	The impact of AASB 9 has not yet been determined.
		New rules relating to derecognition of	

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(n) Adoption of new and revised accounting standards continued

		financial instruments.	
AASB 2014-4 Clarification of Acceptable Methods of Depreciation & Amortisation	30 June 2017	Clarifies various methods of depreciation and amortisation.	The impact of AASB 2014-4 has not yet been determined.
AASB 15 Revenue from Contracts with Customers and amending standard AASB 2014-5	30 June 2018	Introduces a new methodology for revenue recognition as well as requiring enhanced disclosures about revenue.	The impact of AASB 15 has not yet been determined.
AASB 2014-9 Equity Method in Separate Financial Statements	30 June 2018	Will allow entities to use the equity method to account for interests in subsidiaries, joint ventures and associates in separate financial statements.	The impact of AASB 2014-9 has not yet been determined.

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	2014
	\$	\$
2 Revenue		
- Provision of services	142,723,027	103,975,921
- Interest received	977,730	1,047,617
- Dividend received	-	1,191
- Other income	326,387	105,673
Total Revenue	144,027,144	105,130,402
3 Expenses		
Rental expenses	2,905,875	3,267,286
Advertising	2,481,025	2,888,540
Rebates	467,747	489,083
4 Auditors' Remuneration		
Remuneration of the auditor for:		
- Auditing the parent entity	49,894	46,500
- Auditing subsidiary entities	35,000	25,000
	84,894	71,500
5 Income Tax Expense		
(a) The components of tax benefit / (expense) comprise:		
Current tax	(11,086,539)	(7,300,383)
Deferred tax	1,570,895	(171,825)
	(9,515,644)	(7,472,208)
(b) The prima facie tax on profit before income tax is reconciled to income tax expense as follows:		
- Economic entity	9,279,023	7,280,563
Add Tax effect of:		
- Other non-allowable items	5,562,101	3,970,710
- movement in deferred taxes	-	171,825
	14,841,124	11,423,098
Less Tax effect of:		
- Other deductible items	3,370,296	3,934,916
- Other non-assessable items	384,289	15,974
- Movement in deferred taxes	1,570,895	-
Income tax expense	9,515,644	7,472,208

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

	Note	Consolidated	
		2015	2014
		\$	\$
6 Cash and Cash Equivalents			
Cash on hand		2,568	2,615
Cash at bank		30,112,706	28,906,164
		<u>30,115,274</u>	<u>28,908,779</u>
Reconciliation of Cash			
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:			
Cash and cash equivalents		30,115,274	28,908,779
Bank loans	18	(250,000)	(1,390,190)
		<u>29,865,274</u>	<u>27,518,589</u>
7 Trade and Other Receivables			
CURRENT			
Trade receivables		16,089,071	10,932,870
Other receivables		1,824,100	1,486,055
		<u>17,913,171</u>	<u>12,418,925</u>
Other Related Parties (Non Current)			
Loans to associates		-	2,688,845
		<u>-</u>	<u>2,688,845</u>
8 Financial Assets			
Available for sale financial assets		567,405	282,090
		<u>567,405</u>	<u>282,090</u>
Available-For-Sale Financials Assets Comprise:			
Investments			
Shares in unlisted corporations at cost		250,000	-
shares in listed corporations at fair value		317,405	282,090
		<u>567,405</u>	<u>282,090</u>

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments. The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost. Unlisted available-for-sale financial assets exist within active markets and could be disposed of if required.

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

		Consolidated	
		2015	2014
		\$	\$
9 Inventories			
At cost:			
Appliances and building materials		294,729	585,300
		<u>294,729</u>	<u>585,300</u>
10 Other Assets			
CURRENT			
Prepayments		1,694,704	1,205,649
		<u>1,694,704</u>	<u>1,205,649</u>
11 Investments Accounted for Using the Equity Method			
Associated entities		1,249,453	1,137,652
		<u>1,249,453</u>	<u>1,137,652</u>
12 Controlled Entities			
Name	Country of incorporation	Percentage Owned 2015	Percentage Owned 2014
Parent Entity:			
Dixon Advisory Group Limited	Australia		
Subsidiaries of parent entity:			
Dixon Advisory & Superannuation Services Limited	Australia	100	100
Ally D Pty Limited	Australia	100	100
Dixon Advisory Property Pty Limited	Australia	100	100
Dixon Advisory Super Pty Limited	Australia	100	100
Dixon Advisory USA Inc	USA	100	100
Walsh & Company Investments Limited	Australia	100	100
Walsh & Company Asset Management Pty Limited	Australia	100	100
Walsh & Company Group Pty Limited	Australia	100	100
Dixon Projects LLC	USA	100	100
Dixon Asset Management USA Inc	USA	100	100
Walker Street Partners Pty Limited	Australia	100	100
DGP Inc	USA	100	100
US Select Private Opportunities Fund GP LLC	USA	100	100
Walsh & Company Investment Services Pty Limited	Australia	100	100
Dixon International Investments Pty Limited	Australia	100	100
Australian Fund Accounting Services Pty Limited	Australia	100	100

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	2014
	\$	\$
13 Property, Plant and Equipment		
Plant and equipment		
At cost	1,062,433	1,261,326
Accumulated depreciation	(708,158)	(794,395)
Total plant and equipment	354,275	466,931
Motor vehicles		
At cost	725,470	651,215
Accumulated depreciation	(470,198)	(356,555)
Total motor vehicles	255,272	294,660
Computer equipment		
At cost	980,586	1,091,083
Accumulated depreciation	(767,325)	(867,306)
Total computer equipment	213,261	223,777
Leasehold improvements		
At cost	6,779,477	5,686,998
Accumulated amortisation	(1,872,078)	(1,497,346)
Total leasehold improvements	4,907,399	4,189,652
Total property, plant and equipment	5,730,207	5,175,020

Movements in Carrying Amounts

Consolidated

	Plant and Equipment	Motor Vehicles	Computer Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	466,931	294,660	223,777	4,189,652	5,175,020
Additions	106,413	-	83,826	1,063,353	1,253,592
Fixed asset write offs	(96,898)	-	(1,475)	(39,786)	(138,159)
Depreciation expense	(140,117)	(87,631)	(121,809)	(433,488)	(783,045)
Net foreign exchange differences	17,946	48,243	28,942	127,668	222,799
Carrying amount at the end of year	354,275	255,272	213,261	4,907,399	5,730,207

Consolidated
2015
\$

2014
\$

14 Investment Property

Balance at beginning of year	1,588,550	1,588,550
Balance at end of year	1,588,550	1,588,550

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	2014
	\$	\$
15 Intangible Assets		
Computer software		
Cost	5,551,473	4,658,861
Accumulated amortisation and impairment	(3,578,838)	(2,582,924)
Net carrying value	1,972,635	2,075,937
Goodwill		
Cost	99,850	99,850
Net carrying amount	99,850	99,850
Total Intangibles	2,072,485	2,175,787

	Consolidated		
	Computer software	Goodwill	Total
	\$	\$	\$
Year ended 30 June 2014			
Opening balance	1,844,096	99,850	1,943,946
Additions	1,090,977	-	1,090,977
Amortisation	(859,136)	-	(859,136)
Balance at 30 June 2014	2,075,937	99,850	2,175,787
Year ended 30 June 2015			
Opening balance	2,075,937	99,850	2,175,787
Additions	871,136	-	871,136
Amortisation	(980,659)	-	(980,659)
Net foreign exchange differences	6,221	-	6,221
Balance at 30 June 2015	1,972,635	99,850	2,072,485

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	2014
	\$	\$
16 Trade and Other Payables		
CURRENT		
Trade payables	2,441,042	3,988,577
Goods and services tax payable	334,524	695,623
Sundry payables and accrued expenses	2,912,207	2,107,944
	<u>5,687,773</u>	<u>6,792,144</u>
NON-CURRENT		
Other related party payables	447,653	687,439
	<u>447,653</u>	<u>687,439</u>
17 Other Current Liabilities		
Deferred income	11,657,721	9,629,682
	<u>11,657,721</u>	<u>9,629,682</u>
18 Financial Liabilities		
Secured liabilities		
Bank loans	250,000	1,390,190
	<u>250,000</u>	<u>1,390,190</u>

The bank loan is secured by a registered first mortgage over the property owned by Ally D Pty Limited, a wholly-owned subsidiary of Dixon Advisory Group Limited.

19 Provisions

Consolidated

	Employee entitlements	Employee bonuses	Other provisions	Total
	\$	\$	\$	\$
Opening balance at 1 July 2014	1,736,041	8,956,225	85,670	10,777,936
Additional provisions	319,598	5,577,575	-	5,897,173
Amounts used	-	-	(85,670)	(85,670)
Balance at 30 June 2015	<u>2,055,639</u>	<u>14,533,800</u>	<u>-</u>	<u>16,589,439</u>

Analysis of Total Provisions

	Consolidated	
	2015	2014
	\$	\$
Current	9,338,343	10,398,032
Non-current	7,251,096	379,904
	<u>16,589,439</u>	<u>10,777,936</u>

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

Consolidated	
2015	2014
\$	\$

20 Issued Capital

Summary Table

100,500,000 (2014: 100,500,000) Ordinary
Shares

7,510,917	7,510,917
7,510,917	7,510,917

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.

21 Capital and Leasing Commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments

- not later than 12 months	3,047,091	2,868,418
- between 12 months and 5 years	17,637,292	11,568,368
- greater than 5 years	12,650,143	4,010,337
	33,334,526	18,447,123

The group leases a number of offices in Canberra, Sydney and Melbourne in Australia and Jersey City, NJ and New York, NY in the United States of America under operating leases. The leases typically run for an initial period of 5 to 10 years, with an option to renew the lease after the expiry date. Lease payments are increased annually according to the lease agreements to reflect market rentals. None of these leases include contingent rentals.

During the year ended 30 June 2015, \$2,905,875 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2014: \$3,267,286).

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	2014
	\$	\$
22 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Net income/loss for the year	21,414,434	16,796,334
Non-cash flows in profit		
Depreciation, amortisation and impairments	1,612,522	1,267,453
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(2,883,239)	8,497,575
(Increase)/decrease in prepayments	(489,055)	(664,070)
(Increase)/decrease in other assets	-	25,145
(Increase)/decrease in inventories	290,571	(585,300)
Increase/(decrease) in trade payables and accruals	(1,104,371)	(5,906,787)
Increase/(decrease) in deferred income	2,028,039	298,046
Increase/(decrease) in income taxes payable	(2,615,248)	(1,072,673)
Increase/(decrease) in provisions	5,811,503	(1,105,258)
	<u>24,065,156</u>	<u>17,550,465</u>

23 Tax

Assets

NON-CURRENT

Deferred tax assets	5,333,862	3,394,708
	<u>5,333,862</u>	<u>3,394,708</u>

Liabilities

CURRENT

Income tax payable	4,980,546	6,024,899
	<u>4,980,546</u>	<u>6,024,899</u>

NON-CURRENT

Deferred tax liabilities	657,372	289,113
	<u>657,372</u>	<u>289,113</u>

Dixon Advisory Group Limited

ABN 73 080 207 076

Notes to the Financial Statements

For the Year Ended 30 June 2015

Parent	
2015	2014
\$	\$

24 Parent Entity Information

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

Statement of Financial Position

ASSETS

Current assets	27,971,577	37,211,696
Non-current assets	12,188,104	12,697,575
TOTAL ASSETS	40,159,681	49,909,271

LIABILITIES

Current liabilities	32,329,123	41,401,097
Non-current liabilities	7,727,787	1,132,800
TOTAL LIABILITIES	40,056,910	42,533,897

EQUITY

Issued capital	7,510,917	7,510,917
Reserves	1,477,339	250,220
Retained losses	(8,885,485)	(385,763)
TOTAL EQUITY	102,771	7,375,374

Statement of Profit or Loss and Other Comprehensive Income

Total profit	10,595,279	6,444,407
Total comprehensive income	11,822,398	6,352,634

25 Contingent Liabilities

Macquarie Bank Limited holds a fixed and floating charge over the assets of the group.

Citibank, N.A. has issued a standby letter of credit on behalf of Dixon Advisory USA Inc. in favour of the landlord of Level 28, 140 Broadway New York USA up to a limit of \$685,557 USD (\$855,663 AUD equivalent) as required under the terms of the lease of this premises.

26 Company Details

The registered office of the company is:

Dixon Advisory Group Limited
Suite 1502
100 Pacific Highway
NORTH SYDNEY NSW 2060

Dixon Advisory Group Limited

ABN 73 080 207 076

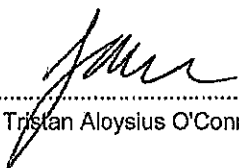
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 21, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 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 Group will be able to pay its debts as and when they become due and payable.

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


Director
Christopher Matthew Brown


Director
Tristan Aloysius O'Connell

Dated 23 October 2015

Dixon Advisory Group Limited

ABN 73 080 207 076

Independent Audit Report to the members of Dixon Advisory Group Limited

Report on the Financial Report

We have audited the accompanying financial report of Dixon Advisory Group Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity.

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.

We make it happen!



A member firm of DFK International a worldwide association of independent accounting firms and business advisers

Liability Limited by a scheme approved under Professional Standards Legislation

Level 12, 222 Pitt Street
Sydney NSW 2000

POSTAL ADDRESS
PO Box Q819 QVB NSW 1230

TELEPHONE +61 2 9264 5400
FACSIMILE +61 2 9264 9294

EMAIL office@dfklv.com.au
www.dfklv.com.au

Dixon Advisory Group Limited

ABN 73 080 207 076

Independent Audit Report to the members of Dixon Advisory Group Limited

Independence

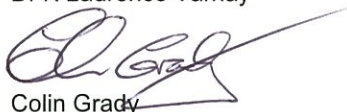
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Dixon Advisory Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Dixon Advisory Group Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements and notes also comply with *International Financial Reporting Standards* as disclosed in Note 1.

DFK Laurence Varnay



Colin Grady
Partner

Level 12, 222 Pitt Street Sydney

23 October 2015

We make it happen!