Stanfield Funds Management Limited
(Subject to Deed of Company Arrangement)
and controlled entities

ABN 54 006 222 395

Annual Financial Report
30 June 2014

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ABN 54 006 222 395

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Stanfield Funds Management Limited is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of Stanfield Funds Management Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

CORPORATE GOVERNANCE

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable; the Company has adopted the Eight Essential Corporate Governance Principles and Best Practice Recommendations ("Recommendations") as published by ASX Corporate Governance Council.

The Company's Corporate Governance policies and its Securities Trading Policy are available on the Company's website. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The principles below summarises the Company's compliance with the ASX Corporate Governance Council's Revised Principles and Recommendations at 12 August 2014, the date on which the Company entered Voluntary Administration. These principles will be reviewed upon the completion of the Deed of Company Arrangements.

Principle 1 – Lay solid foundations for management and oversight

The Board and management have formalised their respective roles and responsibilities and the functions reserved to the Board and management. The Board has established and adopted a Board Charter for this purpose.

The Board is responsible for oversight of the management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of those goals with a view to optimising company performance and the protection and enhancement of long-term shareholder value.

The Board has also established a Nomination and Remuneration Committee Charter which, amongst other functions, guides the Board in its evaluation of the performance of senior executives and encourages an appropriate mix of skills, experience, expertise and diversity on the Board.

The role of management is the efficient and effective operation of the activities of the Company in accordance with the objectives, strategies and policies determined by the Board. The performance of senior management is reviewed annually in a formal process with the executive's performance assessed against the company and personal benchmarks. Benchmarks are agreed with the executives and reviews are based upon the degree of achievement against those benchmarks.

Principle 2 – Structure the Board to add value

The Board has been formed such that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. Directors are appointed based on the specific skills required by the Company and on their experience, decision-making and judgement skills.

The Company has adopted a Nomination and Remuneration Committee Charter which encourages a transparent Board selection process in searching for and selecting new directors to the Board and having regard to any gaps in the skills and experience of the directors of the Board and ensuring that a diverse range of candidates is considered. The Board composition is reviewed on an ongoing basis with regard to the activities of the Company and the skills sets required to support those activities.

A separate nomination committee has not been formed. The role of the nomination committee is carried out by the full Board in accordance with the Nomination and Remuneration Committee Charter. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate committee.

The composition of the Board is determined using the following principles:

- A minimum of three directors, with a broad range of expertise
- Directors should bring characteristics which allow a mix of qualifications, skills, experience, expertise and diversity to the Board

The skills, experience, expertise and tenure of each director are disclosed in the Directors' Report within this Annual Report.

In assessing the independence of directors, the Board follows the ASX guidelines and will consider whether the director:

- Is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company
- Is employed, or has previously been employed in executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving the on board
- Has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided
- Is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- Has a material contractual relationship with the Company or another group member other than as director of the Company

The Board does not have a majority of independent directors. It is comprised of one executive and five non-executive directors and the Board is confident that each director brings independent judgement to the Board's decisions. The Board considers the existing structure and skill sets of the directors' appropriate given the small scale of the Company's enterprise and the associated economic restrictions the scale of operations places on the Company. The existing structure is aimed at maximising the financial position of the Company by keeping its operating costs to a minimum.

Where additional skills are considered necessary for specific purposes, access is made to independent professional advice at the expense of the Company.

Principle 3 – Promote ethical and responsible decision making

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. The Board has established a Code of Conduct to guide the Directors, managers, employees and officers of the Company with respect to matters relevant to the Company's legal and ethical obligations and the expectations of stakeholders.

The Code of Conduct requires officers and employees to avoid or ensure proper management of conflicts of interest, to not use confidential information for personal gain and to act in fair, honest and respectful manner. The Board has procedures in place for reporting any matters that give rise to unethical practices or conflicts between the interests of a director or senior executive and those of the Company.

Diversity Policy

The Board has also established a Workplace Diversity Policy which affirms the Company's commitment to promoting a corporate culture that is supportive of diversity and outlines strategies that the Board can undertake to encourage and promote a diverse working environment.

The Company does not select candidates based on gender or ethnicity, rather the recruitment process chooses candidates from a diverse group after widely canvassing the market and by selecting the most appropriate candidate based on merit and suitability for the role.

As at 30 June 2014 there are no women in senior executive positions in the Company. There are no women on the Board at this time. The Board maintains full transparency of board processes, reviews and appointments and encourages gender diversity.

Given the Company's size and that it currently has no employees the Board does not consider it appropriate to set objectives regarding gender diversity at this time. As the operations grow, the Board will give consideration to the setting of such objectives and their achievement through the appointment of appropriate candidates to the Board and senior executive positions as they become available.

Securities Trading Policy

The Board encourages directors and employees to hold shares in the Company to align their interest with the interests of all Shareholders. The Company has adopted a Securities Trading Policy which guides directors, employees or contractors in trading the Company's securities in accordance with ASX Listing Rules. Trading the Company's shares is prohibited under certain circumstances and a director, employee or contractor must not deal in the Company's securities at any time when he or she is in possession of information which, if generally available, may affect the price of the Company's shares.

The Policy sets out the following information:

(a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;

(b) trading in the Company's securities which is not subject to the Company's Trading Policy; and

(c) the procedures for obtaining written clearance for trading in exceptional circumstances.

Principle 4 – Safeguard integrity in financial reporting

The Directors require the Executive Director/Managing Director and external company auditors to state in writing to the Board, that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

A separate audit committee has not been formed. However, the Company has adopted an Audit Committee Charter. The role of the audit committee is carried out by the full Board in accordance with the Audit Committee Charter. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing a separate audit committee.

Principle 5 – Make timely and balanced disclosure

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with the ASX Listing Rules and the Corporations Act. The Directors have established a written policy and procedure to ensure compliance with the disclosure requirements of the ASX Listing Rules. At each meeting of the directors, consideration is given as to whether notice of material information concerning the Company, including its financial position, performance, ownership and governance has been made to all investors.

Under the policy the Company's employees and contractors must disclose any relevant information which comes to their attention and is believed to potentially be material to the Company Secretary or Executive Director.

Principle 6 – Respect the rights of Shareholders

The Directors have established a communications strategy to promote effective communication with Shareholders and encourage effective participation at general meetings. As well as ensuring timely and appropriate access to information for all investors via announcements to the ASX, the Company will also ensure that all relevant documents are released on the Company's website.

Communication with Shareholders is achieved through the distribution of the following information:

- The Annual Report is distributed to Shareholders;
- The Half Yearly Report is available on the Company's website
- Regular reports and announcements are released through the ASX
- The Annual General Meeting and other meetings called by the Company to obtain Shareholder approval as appropriate
- Investor information released through the Company's website

Principle 7 – Recognise and manage risk

The Board is responsible for overseeing the risk management function and ensuring that risks and opportunities are identified on a timely basis. The Directors have established a Risk Management Policy regarding the oversight and management of material business risks.

Responsibility for the control and risk management is delegated to the appropriate level of management within the Company, with the Executive Director having ultimate responsibility to the Board for monitoring the risk management and control framework. Risk analysis and evaluation occurs on an ongoing basis in the course of the activities of the Company. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies.

The Executive Director reports on a regular basis to the Board on the areas of their responsibility, including material business risks and provides an annual written report to the Board summarising the effectiveness of the Company's management of material business risks.

Principle 8 – Remunerate fairly and responsibly

A separate remuneration committee has not been formed. However, the Company has adopted a Nomination and Remuneration Committee Charter. The role of the remuneration committee is carried out by the full Board in accordance with the Nomination and Remuneration Committee charter. The charter details how the Board fulfils its duties in regards to the Company's remuneration plans, policies and practices, including the compensation of non-executive directors, executive directors and management. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate committee.

The Board has provided disclosure within this Annual Report in relation to Directors' remuneration and remuneration policies in accordance with the ASX Listing Rules and the Corporations Act. There are no retirement schemes or retirement benefits other than statutory benefits for non-executive directors.

The Company has a policy to prohibit its directors and employees, who participate in an equity-based incentive plan of the Company, from entering into transactions which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities. Directors and employees are encouraged to take sufficient professional advice in relation to their individual financial position.

The payment of bonuses, options and other incentive payments are reviewed by the Board annually as part of the review of executive remuneration. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options, given they are justified by reference to measurable performance criteria.

The Company's Share Trading Policy is available on its website.

Stanfield Funds Management Limited's corporate governance practices were in place for the financial year ended 30 June 2014 and to the date of Voluntary Administration on 12 August 2014.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by Stanfield Funds Management Limited, refer to our website: www.stanfieldfunds.com.au

Board functions

The role of the Board of Stanfield Funds Management Limited is as follows:

- Representing and serving the interests of shareholders by overseeing and appraising the strategies, policies and performance of the Company. This includes overviewing the financial and human resources the Company has in place to meet its objectives and the review of management performance;
- Protecting and optimising Company performance and building sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- Responsible for the overall Corporate Governance of Stanfield Funds Management Limited and its controlled entities, including monitoring the strategic direction of the Company and those entities, formulating goals for management and monitoring the achievement of those goals;
- Setting, reviewing and ensuring compliance with the Company's values (including the establishment and observance of high ethical standards);
- Ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

Responsibilities/functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, the Chief Executive Officer (CEO);
- reviewing procedures in place for appointment of senior management and monitoring of its performance, and for succession planning. This includes ratifying the appointment and the removal of the Chief Financial Officer and Company Secretary;
- input into and final approval of management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing and guiding systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures in place to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes in place aimed at ensuring the integrity of financial and other reporting;
- monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards and;
- performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a Director, employee or other person subject to ultimate responsibility of the Directors under the Corporations Act.

Matters which are specifically reserved for the Board or its committees include the following:

- appointment of a Chair;
- appointment and removal of the CEO;
- appointment of Directors to fill a vacancy or as additional Directors;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- development and review of corporate governance principles and policies;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders and;
- any other specific matters nominated by the Board from time to time.

Structure of the Board

The Company's constitution governs the regulation of meetings and proceedings of the Board.

The Board determines its size and composition, subject to the terms of the constitution. The Board does not believe that it should establish a limit on tenure other than stipulated in the company constitution.

While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its operation and, therefore, an increasing contribution to the Board as a whole. It is intended that the Board should comprise a majority of independent non-executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. It is also intended that the Chair should be an independent non-executive Director. The Board regularly reviews the independence of each Director in light of the interests disclosed to the Board.

The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with - or could reasonably be perceived to interfere with - the exercise of their unfettered and independent judgment. The Board has adopted a definition of independence based on that set out in the ASX Corporate Governance Recommendations. The Board will review the independence of each Director in light of interests disclosed to the Board from time to time.

In accordance with the definition of independence above, and the materiality thresholds set, the following Directors of Stanfield Funds Management Limited are considered independent:

Name	Position
Carl Clump	Non-executive Chairman
Tom Sargant	Non-executive Director

There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	**Position**	**Appointed**	**Resigned**
Darren Olney-Fraser	Chairman, Chief Executive Officer	1 November 2009	9 April 2014
John Pereira	Non-Executive Chairman,	9 April 2014	6 October 2014
Adrian Olney	Executive Director	21 December 2009	3 September 2013
Don Christie	Executive Director	20 August 2012	3 September 2013
Wai Liam Ng	Executive Director	14 February 2013	
Tom Sargant	Non-Executive Director	3 September 2013	
Jason Liu	Non-Executive Director	9 January 2014	6 October 2014
Carlyle Clump	Chairman	6 October 2014	
Xavier Kris	Non-Executive Director	6 October 2014	
Paul Doropoulos	Executive Director	6 October 2014	
James Pearson	Non-Executive Director	6 October 2014	

Further details on each Director can be found in the Directors' Report attached to this Corporate Governance Statement.

Securities trading policy

Under the Company's Guidelines for Dealing in Securities Policy, a Director or Company employee ('Relevant Persons') must not trade in any securities of the Company at any time when they are in possession of unpublished price sensitive or 'inside' information in relation to those securities.

Relevant Persons are permitted to buy or sell the Company's securities throughout the year except during the period from full year and half year balance date up to the date of release of the Company's financial results (Non Trading Period).

Outside of the Non Trading Period (before commencing to trade) a Director must first obtain the approval of the Chairman to do so; the Chairman must first obtain approval from the Board; and all other employees must inform and receive approval from the Company Secretary.

As required by the ASX Listing Rules, the Company notifies the ASX of any transaction conducted by Directors in the securities of the Company within five days of the transaction taking place.

The Securities Trading Policy has been issued to ASX and can be found on the Company's website

Audit and Risk Committee

As at the date of this statement the Board does not have a formal Audit and Risk Committee. The Company does have a formal Charter approved by the Board and it is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

Risk

The responsibility of overseeing risk falls within the charter of the Audit and Risk Committee. The Company identifies areas of risk within the Company and continuously undertakes a risk assessment of the Company's operations, procedures and processes. The risk assessment is aimed at identifying the following:

- a culture of risk control and the minimisation of risk throughout the Company, which is being done through natural or instinctive process by employees of the Company;
- a culture of risk control that can easily identify risks as they arise an amend practices;
- the installation of practices and procedures in all areas of the business that are designed to minimise an event or incident that could have a financial or other effect on the business and its day to day management; and
- adoption of these practices and procedures to minimise many of the standard commercial risks, i.e. taking out the appropriate insurance policies, or ensuring compliance reporting is up to date.

CEO and CFO certification

Given the small size of the company, there is no requirement for a Chief Executive Officer and a Chief Financial Officer. A director of the company has signed the declarations on behalf of the Board of Directors.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and key Executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board, in assuming the responsibilities of assessing remuneration to employees, links the nature and amount of Executive Directors' and officers' remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key Executives;
- attraction of high quality management to the Company; and
- performance incentives that allow Executives to share in the success of Stanfield Funds Management Limited.

For a more comprehensive explanation of the Company's remuneration framework and the remuneration received by Directors and key Executives in the current period, please refer to the Remuneration Report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits to Non-Executive (or Executive) Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves and the Chief Executive Officer and Executive team.

Directors' report

Your Directors present their report together with the financial statements of the Group, being Stanfield Funds Management Limited (the Company) and its controlled entities, for the financial year ended 30 June 2014.

CHAIRMAN AND DIRECTORS

NAME	POSITION
Mr Carlyle Clump	Non-Executive Chairman (appointed 6 October 2014)
Mr Paul Doropoulos	Executive Director (appointed 6 October 2014)
Mr Xavier Kris	Non-Executive Director (appointed 6 October 2014)
Mr James Pearson	Non-Executive Director (appointed 6 October 2014)
Mr Wai Liam Ng	Non-Executive Director (appointed 14 February 2013)
Mr Tom Sargant	Non-Executive Director (appointed 3 September 2013)

The following Directors resigned during the financial year ended 30 June 2014 and up to the date of this Report:

Mr Darren Olney-Fraser	Executive Chairman (appointed 1 November 2009, resigned 9 April 201
Mr Adrian Olney	Executive Director (appointed 21 Dec 2009, resigned 3 September 201
Mr Don Christie	Executive Director (appointed 2 August 2012, resigned 3 September 20
Mr John Pereira	Non-Executive Chairman (appointed 9 April 2014, resigned 6 October 20
Mr Jason Liu	Non-Executive Director (appointed 9 January 2014, resigned 6 October

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated Group during the financial year were:

– Provision of investment opportunities in Asian markets.

There are no significant changes in the nature of the principal activities during the financial year.

Operating Results and Review of Operations for the Year:

Operating Results

The consolidated loss of the Group after providing for income tax is $587,822 (2013: Profit of $1,919,367).

Financial Position

The net assets of the consolidated Group have reduced from positive $230,476 at 30 June 2013 to a negative $72,243.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- Establishment of an office in Hong Kong to facilitate the expansion of Chinese opportunities.

Dividends Paid or Recommended

No dividends were paid or recommended during the year.

Events occurring after balance date

Since 30 June 2014 the following significant changes have occurred:

a) On 12 August the Directors appointed Mathew Gollant and Timothy M S Holden as Joint and Several Administrators.
b) On 25 August the ASX suspended the Official Listing of the Company.
c) On 1 October ASX notified that Mathew Gollant now sole Administrator.
d) On 8 October ASX notified of execution of Deed of Company Arrangement including the appointment of four Directors. On 16 January 2015 ASX was notified execution Deed of amendment to the Deed of Company Arrangement.
e) On 24 October ASX notified of Financial Reporting relief until 12 May 2015.

Future Developments, Prospects and Business Strategies

To further improve the consolidated Group's position and maximise shareholder wealth, the Directors shall implement the initiatives detailed in the Deed of Company Arrangement, in particular:

- Capital raisings of over $2.3 million through convertible notes and a potential combination of a non-renounceable pro- rata entitlement offer, placement and share purchase plan;
- Repayment in full of secured creditors;
- Partial cash settlement with unsecured creditors; and
- Issue of securities to unsecured creditors.

Information on the Directors

Carlyle Clump – Non-Executive Chairman appointed 6 October 2014

Carl Clump has experience of being the CEO of a public listed company on the London Stock Exchange, an AIM listed company, a private equity backed company and two startups, as well as being Group Managing Director for a VC backed entity. He holds a number of Non-Executive and advisory roles. Until July 2014, he was the Chairman of the cards and payment division of a European Private Bank.

He is a special advisor to Jacanda Capital, a boutique advisory company headquartered in Sydney. He is also advising an Asia-Pacific organization on the launch of a specialist payment product, and working with other companies in Singapore, Malaysia, Indonesia and UK. In 2000, Carl founded Retail Decisions, an international card issuing and fraud prevention company, with many of the world's leading brands as customers. Its customers include Banks, Payment Service Providers, Retailers and Airlines. He was the Chief Executive from 2000 until 2011. The Company was listed on the London Stock Exchange until 2006, when Carl took the company private. He retired as the company's Group Chairman in March 2013.

Prior to Retail Decisions, Carl was the Chief Executive of Card Clear plc., an AIM listed company involved in payments, card issuing, loyalty, currency exchange and fraud prevention. From 1993 to 1998, he served as the Group Managing Director of the Harpur Group, an issuer of specialist payment cards.Based in France, he was the President- Directeur General of TEPAR a consortium of European card issuing companies from 1989 to 1993. He spent some 13 years with Texaco, where he served as European Marketing Coordinator, Manager of the UK's Marketing and Planning Division, as well as a series of roles in Retail Management, Logistics and Finance and Economics.

Carl has an MBA from the Cranfield School of Management, a post-graduate diploma in Management Studies and a University of London Degree in Physics.

Paul Doropoulos – Executive Director appointed 6 October 2014

Paul Doropoulos has approximately 20 years' combined experience in an Executive Consultant capacity to ASX listed companies in the oil and gas and mining services sectors. Further has an understanding of business fundamentals through multiple start-ups in the hospitality industry. Instrumental in overseeing the successful ASX listing of junior gold explorer Metaliko Resources Ltd in 2010 and Kinetiko Energy Limited in 2011. In addition he also held simultaneously the position of Chief Financial Officer in both companies. Is a founding participant to the establishment of the philanthropic Jackman Furness Foundation for the Performing Arts in Western Australia. Established and oversees financial aspects of Cirrena Pty Ltd a software solutions business with offices in Perth and Manila in the role of Chief Financial Officer. Paul also advises to the Board of Ageus Limited an enterprise developer. Paul was appointed in 2014 as an Executive Advisor to Boardroom Capital, a boutique corporate advisory firm based in Perth, Western Australia. Paul holds a Bachelor of Business Degree with Finance.

Xavier Kris – Non-Executive Director appointed 6 October 2014

Xavier Kris is an accomplished and innovative, international C-level executive with early experience as a Chief Executive and a proven track record in building global businesses and delivering results. With over 20 years' experience as a Director of service based information technology businesses in the UK, France, USA, South East Asia and Australia, Xavier specialises in providing acquisition, integration and business development services for companies seeking to expand their operations internationally. Xavier has led multiple international businesses within transactional processing companies, the Harpur Group and International Card Services followed by Motorcharge Australia. In 2001 he joined the data and information technology firm, Retail Decisions Ltd, a company listed on the London Stock Exchange as part of the small executive management team as Head of Global Business Development based in London and subsequently Chief Executive Officer of the Americas based in Palo Alto, California.

In addition to being a director of PLUS 8, a hospitality labour hire and management consulting group, Xavier is a founding partner of Boardroom Capital, a boutique corporate advisory firm based in Perth, Western Australia. Xavier holds an English Law and French Degree and a Master of Business Administration.

James Pearson – Non-Executive Director appointed 6 October 2014

James has approximately 29 years' experience in the Stockbroking and Wealth Management industry in London, Hong Kong and Australia. Initially as a Private Client Adviser in London and Hong Kong, James then took the position of Institutional Sales for Hartley Poynton in Perth and Melbourne before joining Patersons on their Institutional Sales Desk, providing corporate and execution services for a wide variety of boutique wholesale clients. James utilises his extensive experience and wide range of contacts in the Australian stockbroking industry to specialise in providing high quality Investor Relations Solutions and Business Development Services to listed and unlisted Australian companies

Wai Liam Ng – Non Executive Director appointed 14 February 2013

William has been advising international and Chinese companies over the past decade, with his own consulting practice with offices in Hong Kong and China. Prior to that, he worked for Hong Kong publicly listed companies and Western multi-national companies in the Greater China region since 1988. William was educated in Australia, and obtained degrees from Monash University in Engineering and Business Information Systems. He speaks English, Cantonese, Mandarin, Malay and Indonesian.

Tom Sargant – Non-Executive Director appointed 3 September 2013

Tom is currently a management consultant providing services to Government and private sector clients in major infrastructure transactions and business strategy. Prior to this Tom has had an extensive career in Government managing the States' rail assets and in the construction industry contributing to some of Victoria's largest infrastructure projects. Tom holds degrees in Civil Engineering and Business Administration; he is a Fellow of the Institution of Engineers Australia and a Fellow of the Australian Institute of Company Directors.

Company Secretary

The following persons held the position of Company Secretary during the financial year and to the date of this report:

- Adrian Olney – 1 July 2013 to 22 April 2014
- Mark Licciardo - 23 April to 8 October 2014
- Stephen Hewitt-Dutton - 8 October 2014

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2014 and the number of meetings attended by each Director was:

Director	Number eligible to attend	Number Attended
Mr D Olney-Fraser (to 9/04/14)	6	6
Mr J Pereira (from 9/04/14)	1	1
Mr A Olney (to 3/09/13)	3	2
Mr D Christie (to 3/09/13)	3	3
Mr W Ng	7	7
Mr T Sargant (from 3/09/13)	6	6
Mr J Liu (from 9/01/14)	3	3

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.

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 15 of the financial report.

Likely developments and expected results of operations

Additional comments on expected results of operations of the Group are included in this report under the review of operations and significant changes in the state of affairs.

REMUNERATION REPORT - AUDITED

Introduction

This Remuneration Report ("The Report") has been prepared in accordance with section 300A of the Corporations Act and associated regulations. The Remuneration Report has been audited by the Group's Auditor.

The Report provides details of the remuneration arrangements for the following Key Management Personnel* of the Group and the Company for the 2014 financial year:

Executive Chairman, Non-Executive Directors and Key Personnel

Name	***Position***
Mr D Olney-Fraser	Executive Chairman
Mr J Pereira	Non-Executive Chairman
Mr A Olney	Executive Director and Company Secretary
Mr D Christie	Executive Director
Mr W Ng	Executive Director
Mr T Sargant	Non-Executive Director
Mr J Liu	Non-Executive Director
Mr Andrew Georgiou	Chief Financial Officer
Mr David Carruthers	Chief Financial Officer

Key Management Personnel are those Directors and executives with authority and responsibility for planning, controlling and directing the affairs of Stanfield Funds Management Limited.

Remuneration Policy

Compensation levels for key management personnel and secretaries of the Company and key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and executives.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the relevant segment's performance
- the Group's performance including:
  - the Group's earnings
  - the growth in share price and delivering constant returns on shareholder wealth
  - the amount of incentives within each key management person's compensation.

Compensation packages include a mix of fixed and variable compensation, and short- and long-term performance-based incentives.

There is no direct relationship between key management personnel remuneration and performance.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Group.

Key Management Personnel remuneration

		Short Term Employee Benefits			Post-employment			
		Salary and fees	Short Term Cash Bonus	Total	Superannuation benefits	Share based payments	Proportion of remuneration performance related	Value of share based payments as proportion of remuneration
		$	$	$	$	$	%	%
Mr D Olney-Fraser	**2014**	**35,000**	**-**	**35,000**	**-**	**-**	**-**	**-**
(resigned 9/04/14)	2013	71,000	-	71,000	-	-	-	-
Mr J Pereira (appointed 9/04/14) (resigned 6/10/14)	**2014**	**30,000**	**-**	**30,000**	-	-	-	-
Mr A Olney	**2014**	**40,000**	**-**	**40,000**	**-**	**-**	**-**	**-**
(resigned 22/04/14)	2013	60,000	-	60,000	-	-	-	-
Mr D Christie	**2014**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(appointed 2/08/12) (resigned 3/09/14)	2013	30,000	-	30,000	-	-	-	-
Mr W Ng	**2014**	**97,576**	**-**	**97,576**	-	-	-	-
(appointed 14/2/13)	2013	19,091	-	19,091	-	-	-	-
Mr T Sargant (appointed 3/09/13)	**2014**	**20,833**	**-**	**20,833**	-	-	-	-
Mr J Liu (appointed 9/01/14) (resigned 6/10/14)	**2014**	**-**	**-**	**-**	-	-	-	-
Mr Andrew Georgiou	**2014**	**28,500**	**-**	**28,500**	**-**	**-**	**-**	**-**
	2013	60,000	-	60,000	-	-	-	-
Mr David Carruthers	**2014**	**17,500**	**-**	**17,500**	**-**	**-**	**-**	**-**
Total	**2014**	**269,409**	**-**	**269,409**	**-**	**-**	**-**	**-**
	2013	240,091	-	240,091	-	-	-	-

The size of the Company has resulted in the Board assuming the roles of key management personnel for the purposes of executive remuneration reporting.

There were no shares or options granted to key management personnel during the year.

This is the end of the Remuneration Report.

Shares under option

Unissued ordinary shares of Stanfield Funds Management Limited under option at the date of this report are:

Grant date	Expiry date	Exercise Price	Number
3 February 2010	3 February 2015	$2.00	100,000
			100,000

There were no shares issued on the exercise of options during the financial year.

Directors' report

DIRECTORS' INTERESTS

Indemnification and Insurance of Directors

During the financial year, Stanfield Funds Management Limited paid a premium of $8,575 to insure the Directors and Officers of the Company and its wholly owned subsidiaries.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of any entity in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of the duty by the officers or the improper use by the officers of their position or of information to gain an advantage for themselves or someone else to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Non Audit Services

Grant Thornton Audit Pty Ltd is the Company's auditor. During the year they have not performed other services in addition to their statutory duties. Details of the amount paid to the auditors are disclosed in Note 20 to the financial statements.

Lead Auditors' Independence Declaration

A copy of the Lead Auditors' Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on Page 15.

Environmental Regulations

The Company and Group's operations are not subject to any significant environmental regulations under Commonwealth, State or Territory legislations.

Dated at Perth this 10th day of February 2015.
This report is made with a resolution of the Directors:

CC Clump

Carlyle Clump
Chairman

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Auditor's Independence Declaration

To the Directors of Stanfield Funds Management Limited

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

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Adrian Nathanielsz
Partner - Audit & Assurance

Melbourne, 10 February 2015

Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) and Controlled Entities
ABN 54 006 222 395

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2014

	Notes	Consolidated 2014 $	2013 $
Revenue from continuing operations	3	**283,685**	76,550
Other income	3	**-**	2,703,100
Total revenue and income		**283,685**	2,779,650
Expenses			
Employment costs		**(369,449)**	(194,176)
Occupancy expenses		**(82,866)**	(36,670)
Professional fees		**(110,663)**	(84,124)
Impairment of available-for-sale investments		**(142,596)**	(527,267)
Provision for doubtful debts		**(32,400)**	-
Other expenses		**(114,144)**	(69,440)
Finance costs	4	**(19,389)**	(304,712)
Fair Value Movements - Derivatives		**-**	(211,000)
Total expenses		**(871,507)**	(1,427,389)
Profit / (loss) before income tax		**(587,822)**	1,352,261
Income tax expense / (benefit)	5	**-**	-
Profit / (loss) from continuing operations		**(587,822)**	1,352,261
Profit from discontinued operations	23	**-**	567,106
Profit / (loss) for the period		**(587,822)**	1,919,367
Items that may be reclassified to profit or loss			
Movement in available-for-sale financial assets	14	**-**	(48,140)
Total comprehensive income for the year		**(587,822)**	1,871,227
Earnings per share	24		
From continuing operations:			
Basic earnings / (loss) per share (cents)		**(14.4)**	36.0
Diluted earnings / (loss) per share (cents)		**(14.4)**	35.8

The notes to the accounts on pages 20 to 45 are an integral part of these financial statements.

Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) and Controlled Entities
ABN 54 006 222 395

Statement of Financial Position
As at 30 June 2014

		Consolidated	
		2014	2013
	Notes	$	$
Current assets			
Cash and cash equivalents	6	**180,582**	43,779
Trade and other receivables	7	**16,254**	40,512
Available for sale financial assets	8	**28,343**	120,929
Total current assets		**225,179**	205,220
Non-current assets			
Available for sale financial assets	8	**450,090**	-
Other financial assets	9	**-**	500,100
Total non-current assets		**450,090**	500,100
Total assets		**675,269**	705,320
Current liabilities			
Trade and other payables	11	**344,160**	289,170
Borrowings	12	**403,352**	185,674
Total current liabilities		**747,512**	474,844
Non-current liabilities			
Borrowings	12	**-**	-
Total non-current liabilities		**-**	-
Total liabilities		**747,512**	474,844
Net assets/(liabilities)		**(72,243)**	230,476
Equity			
Issued Capital	13	**17,211,882**	16,926,779
Reserves	14	**109,852**	109,852
Accumulated losses	15	**(17,393,977)**	(16,806,155)
Total surplus/(deficiency) in equity		**(72,243)**	230,476

The notes to the accounts on pages 20 to 45 are an integral part of these financial statements.

Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) and Controlled Entities
ABN 54 006 222 395

Statement of changes in equity
For the year ended 30 June 2014

30 June 2014	Note	Contributed equity	Reserves	Retained earnings/ (losses)	Total equity
		$	$	$	$
Balance at 1 July 2013		**16,926,779**	**109,852**	**(16,806,155)**	**230,476**
Loss for the year		**-**	**-**	**(587,822)**	**(587,822)**
Transactions with shareholders in their capacities as shareholders					
- Placement of shares	13	**285,103**	**-**	**-**	**285,103**
Balance at 30 June 2014		**17,211,882**	**109,852**	**(17,393,977)**	**(72,243)**

30 June 2013	Note	Contributed equity	Reserves	Retained earnings/ (losses)	Total equity
		$	$	$	$
Balance at 1 July 2012		16,859,779	151,330	(18,725,522)	(1,714,413)
Profit for the year		-	-	1,919,367	1,919,367
Other comprehensive income	14	-	(48,140)	-	(48,140)
Total comprehensive income for the year		-	(48,140)	1,919,367	1,871,227
Transactions with shareholders in their capacities as shareholders					
- Placement of shares	13	67,000		-	67,000
- Options issued	14	-	6,662	-	6,662
Balance at 30 June 2013		16,926,779	109,852	(16,806,155)	230,476

The notes to the accounts on pages 20 to 45 are an integral part of these financial statements.

Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) and Controlled Entities
ABN 54 006 222 395

Statement of cash flows

For the year ended 30 June 2014

		Consolidated	
*		2014	2013
	Notes	$	$
Cash flows from operating activities			
Cash receipts in the course of operations		**204,115**	141,219
Cash payments in the course of operations		**(654,100)**	(415,469)
Interest received		**1,685**	306,643
Borrowing costs paid		**-**	(328,789)
Net cash from operating activities	16	**(488,300)**	(296,396)
Cash flows from investing activities			
Net outflow on sale of Financial services operations		**-**	(356,040)
Proceeds on sale of financial instruments		**-**	250,000
Payment for shares in related parties		**-**	(448,406)
Net cash from investing activities		**-**	(554,446)
Cash flows from financing activities			
Proceeds from issue of shares		**285,103**	67,000
Loans from related entities		**-**	222,652
Drawdown of convertible notes		**300,000**	-
Repayment of convertible notes		**-**	(100,000)
Net cash from financing activities		**585,103**	189,652
Net increase/(decrease) in cash and cash equivalents		**136,803**	(661,190)
Cash, deposits and cash equivalents at the beginning of the financial year		**43,779**	704,969
Cash and cash equivalents at the end of the financial year	6	**180,582**	43,779

The notes to the accounts on pages 20 to 45 are an integral part of these financial statements.

1. Reporting entity

Stanfield Funds Management Limited (the 'Company') is a Company domiciled in Australia and a for-profit entity for the purpose of preparing financial statements. The consolidated financial statements and notes represent those of the Stanfield Funds Management Limited and controlled entities (the "consolidated Group" or "Group").

The separate financial statements of the parent entity, Stanfield Funds Management Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

2. Statement of Significant accounting policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors believe it is appropriate to prepare these accounts on a going concern basis. The reasons for this are set out within note 26.

The consolidated financial statements were approved by the Board of Directors on 6 February 2015.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Stanfield Funds Management Limited at the end of the reporting period. A controlled entity is any entity over which Stanfield Funds Management Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 26 to the financial statements.

In preparing the consolidated financial statements, all inter-Group balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Statement of Significant accounting policies (continued)

(a) Principles of Consolidation (continued)

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company 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.

Investments in subsidiaries are carried at amortised cost in the Company's financial statements.

Transactions eliminated on consolidation

Intra-Group balances, and any unrealised gains and losses or income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

(b) Income Tax

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

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 the end of the reporting period. Current tax liabilities / (assets) are therefore 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 unused tax losses.

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

Statement of Significant accounting policies (continued)

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

(c) Plant and Equipment

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

Subsequent additional costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Group in future years, otherwise, the costs are expensed as incurred.

Depreciation and amortisation of plant and equipment

Depreciation is calculated on a straight line basis to write-off the net cost or revalued amount of each major class of asset over its expected useful life to the Group. Estimates of remaining useful lives are made on a regular basis for all assets.

The depreciation rates for the current and comparative periods are as follows:

- Computer equipment 25%

(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 that is transferred to entities in the consolidated Group, are classified as finance leases.

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

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

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

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

(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.

Statement of Significant accounting policies (continued)

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

(d) less any reduction for impairment.

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

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 either 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 value being included in profit or loss.

ii. *Loans and receivables*

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

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.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Statement of Significant accounting policies (continued)

(e) Financial Instruments (continued)

iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be 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.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

Fair value

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.

Impairment

At the end of each reporting period, 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 impairment has arisen. Impairment losses are recognised in the statement of comprehensive income. Also, any cumulative decline in fair value previously recognised in other comprehensive income is classified to profit or loss at this point.

De-recognition

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

(f) Impairment of Assets

At each 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 value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income unless the asset is carried at a relevant amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). 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 and intangible assets with indefinite lives.

(g) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group.

Statement of Significant accounting policies (continued)

(h) Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Superannuation

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

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

(j) Cash and Cash Equivalents

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. Cash held on reserve to meet collateral requirements, lease bonds and for regulatory purposes are not included in cash and cash equivalents, but classified as cash deposits not available for use by the Group.

(k) Revenue and Other Income

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues. Revenue is recognised on an accruals basis in accordance with the timing in which services are rendered.

The gross proceeds of non-current asset sales are recognised as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Interest revenue is recognised using the effective interest rate method.

Management fees are recognised once all conditions have been satisfied to recognise the services provided. Where uncertainty exists as to the recoverability of the management fees that have been earned an impairment of the amount due will be taken to statement of comprehensive income.

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(m) Borrowing Costs

Borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Statement of Significant accounting policies (continued)

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

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

(o) Comparative Figures

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

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(p) 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

Impairment of Financial assets – Available for sale financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Utilisation of carried forward tax losses

The directors of the company have not prepared or lodged tax returns for a number of years as the company has been incurring tax losses. In the prior financial year, the forgiveness of the related party loan gave rise to taxable income. The directors have estimated that there are sufficient carried forward operating and capital tax losses that can be utilised to offset the 2013 taxable income.

The Group's ability to access carried forward tax losses not brought to account (Note 5(a)) in the future is contingent on the Group passing either the "Same business test" or "Continuity of ownership". The ability for the Group to pass the Continuity of Ownership test is dependent on the outcome of future share and rights issues.

Statement of Significant accounting policies (continued)

(q) New Accounting Standards for Application in Future Periods

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

AASB 9 Financial Instruments – Recognition and Measurement (Effective 1 January 2018)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

- Financial assets that are debt instruments will be classified based on (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

  - The change attributable to changes in credit risk are presented in other comprehensive income (OCI);

  - The remaining change is presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- Classification and measurement of financial liabilities; and

- Derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements.

Consequential amendments arising from AASB 9 are contained in AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters, AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments and AASB 2014-1 Amendments to Australian Accounting Standards.

The introduction of AASB 9 is not expected to have a significant impact on the operations of the Group when implemented.

(r) Segment Information

The group has no operating segments for the purposes of disclosures in accordance with AASB 8 *Operating Segments* as the board of directors (chief operating decision maker) reviews financial information on a consolidated basis.

3. Revenue – continuing operations

	Consolidated	
	2014	**2013**
	$	**$**
Sales revenue		
Management fees	**282,000**	48,017
	282,000	48,017
Other revenue		
Interest	**1,685**	28,533
Forgiveness of loan payable	**-**	2,703,100
	1,685	2,731,633
Revenue from continuing operations	**283,685**	2,779,650

4. Expenses

	2014	**2013**
	$	**$**
Profit before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable	**-**	266,699
Interest on convertible notes	**19,389**	38,013
Finance costs expensed	**19,389**	304,712
Rental expense relating to operating leases		
Minimum lease payments	**81,104**	36,670
Superannuation expense		
Defined contribution superannuation expense	**3,688**	1,235

5. Income tax expense / (benefit)

(a) Reconciliation between tax expense and prima facie tax payable

	Consolidated	
	2014	**2013**
	$	**$**
Profit / (loss) from operations before income tax expense	**(587,822)**	1,919,367
Prima facie income tax (benefit)/charge calculated at 30% (2013: 30%)	**(176,347)**	575,810
Changes to income tax expense due to:		
Non- deductible expenses	**-**	14,783
Fair value movements of derivatives	**-**	63,300
Impairment of available for sale assets:	**52,469**	154,788
Previously un recouped now recouped tax losses	**-**	(808,681)
Tax losses not recognised	**123,878**	-
Income tax expense / (benefit) attributable to profit / (loss) from ordinary activities	**-**	-
Recoupment of prior year losses not previously recognised as deferred tax asset		-
Tax losses carried forward not recognised as deferred tax asset	**181,260**	57,382

(b) Deferred tax assets

The Directors have elected to treat the following deferred tax balances conservatively and not carry forward these amounts as assets but to recognise it at the time against income when realised in future years.

	2014	**2013**
	$	**$**
Deferred tax asset	-	-
	-	-

The deferred tax asset in the comparative period arose from fair value movements from available for sale assets.

6. Cash and cash equivalents

	2014	**2013**
	$	**$**
Cash at bank and on hand (Note 6(a))	**135,300**	467
Cash on deposit	**45,282**	43,312
	180,582	43,779

Cash carries a weighted average effective interest rate of 2.5% (2013: 4.6%)

(a) Cash not available for use

At balance date, no cash and cash equivalents were not available for use by the Company (2013: $Nil).

7. Trade and other receivables

	Consolidated	
	2014	**2013**
	$	**$**
Current		
Trade debtors	**32,400**	31,900
Provision for doubtful debts	**(32,400)**	-
Other debtors	**4,129**	8,612
Prepayments	**4,152**	-
GST receivable	**7,973**	-
	16,254	40,512

The movement in the provision for doubtful debts can be reconciled as follows:

	Consolidated	
	2014	**2013**
	$	**$**
Balance at 1 July	**-**	-
Amounts provided for	**(32,400)**	-
Balance at 30 June	**(32,400)**	-

8. Available for sale financial assets

	2014	**2013**
	$	**$**
Available-for-sale financial assets		
Current		
1,889,521 shares in Mariner Corporation Limited (ASX code: MCX)	**28,343**	120,929
Non-Current		
833,500 shares in Aquaint Capital Holdings Limited (ASX Code: AQU)	**450,090**	-
	478,433	120,929

At 30 June 2014 the Group holding in Mariner Corporation Limited represented a holding of 13.75% (2013 - 15.44%) of the issued share capital of MCX.

The shares held in Aquaint Capital Holdings Limited are held in escrow until 11 November 2015.

9. Other financial assets

	2014	**2013**
	$	**$**
Available-for-sale financial assets		
Shares to be issued in unlisted public company	**-**	500,100
	-	500,100

In 2013, the shares represent a holding in Aquaint Capital Holdings Limited as part of the agreed consideration for sale of Aquaint Capital Limited (formerly Stanfield Securities Limited). Aquaint Capital Holdings Limited was admitted to listing on ASX in November 2013.

10. Property, plant and equipment

	2014 $	2013 $
Computer equipment		
Cost	**-**	1,892
Accumulated depreciation	**-**	(1,892)
Carrying amount at end of year	**-**	-

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

Carrying amount at beginning of year	**-**	1,892
Depreciation	**-**	(1,892)
Carrying amount at end of year	**-**	-

11. Trade and other payables

	2014 $	2013 $
Trade payables	**314,042**	281,263
Other payables and accruals	**30,118**	7,907
	344,160	289,170

12. Borrowings

	2014 $	2013 $
Unsecured – current		
Convertible notes/ loans payable	**403,352**	100,000
Loan from Australian Public Trustees Limited	**-**	85,674
	403,352	185,674

The convertible notes have a term of three years and bear interest at 15%. Subsequent to balance date, as part of the deed of company arrangement entered into, the convertible notes were redeemed by the note holders and the right to exercise the conversion options attached to the notes was not exercised. Refer to Note 27.

13. Issued Capital

	Consolidated	
	2014	**2013**
	$	**$**
Issued capital	**17,211,882**	16,926,779

Movements in Ordinary Share capital:

	2014 No.	**2013 No.**	**2014 $**	**2013 $**
At the beginning of the reporting period	**3,776,476**	3,691,402	**16,926,779**	16,859,779
Placements:				
- 9 January 2014	**625,000**	-	**250,000**	-
- 16 June 2014	**319,118**	-	**35,103**	-
Share Purchase Plan (30 Oct 2012)	**-**	85,074	**-**	67,000
At the end of the reporting period	**4,720,594**	3,776,476	**17,211,882**	16,926,779

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, shall have one vote and upon a poll each share shall have one vote.

Options

At 30 June 2014 there were 100,000 (2013: 113,542) options available for exercise.

Share buy-back

There is no current on-market share buy-back

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell to reduce debt.

The Group would look to raise capital when an opportunity to make investments was seen as value adding relative to the current parent entity's share price at the time of the investment.

The Group is not subject to externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2013 Annual Financial Statement.

14. Reserves

	Consolidated	
	2014	**2013**
	$	**$**
Options reserve	**109,852**	109,852
	109,852	109,852

Available for sale reserve
The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

Options reserve
The reserve is used to recognise the fair value of options granted.

Movements in reserves:

	Available for sale	Options	Total
	$	$	$
Balance at 1 July 2012	48,140	103,190	151,330
Increase/ (decrease) in reserve on revaluation of shares in Mariner Corporation Ltd	(48,140)	6,662	(41,478)
Balance at 1 July 2013	-	109,852	109,852
Balance at 30 June 2014	**-**	**109,852**	**109,852**

15. Accumulated losses

	2014	**2013**
	$	**$**
Accumulated losses at beginning of financial year	**(16,806,155)**	(18,725,522)
Profit/(loss) after income tax expense for year	**(587,822)**	1,919,367
Accumulated losses at end of financial year	**(17,393,977)**	(16,806,155)

16. Cash flow Information

	Consolidated	
	2014	**2013**
	$	**$**
Reconciliation of cash flows from operations with profit / (loss) after income tax		
Operating profit / (loss) after income tax	**(587,822)**	1,919,367
Adjustments for:		
Non cash interest expense	**-**	266,699
Management fees received used to extinguish loan payable	**(77,885)**	
Impairment of Investments	**142,596**	527,267
Impairment of Receivables	**32,400**	-
Gain on sale of discontinued operations	**-**	(529,999)
Interest – recognised in convertible notes	**3,352**	12,298
Fair value movement in derivatives	**-**	211,000
Forgiveness of Loans	**-**	(2,703,100)
Operating loss before changes in working capital	**(487,359)**	(296,468)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/Decrease in trade and other receivables	**(8,142)**	(31,900)
Decrease in other assets	**-**	(101,806)
Increase /(decrease) in trade and other payables	**47,201**	133,778
Cash flow from operations	**(448,300)**	(296,396)

(a) Non-cash financing and investing activities

The loan payable to Australian Public Trustees Limited in the prior year of $85,674 (refer to Note 12) was satisfied during the year by the provision of management services by the Group which was recognised as revenue and GST payable.

17. Financial risk management

Introduction and overview

Stanfield Funds Management Limited maintains positions in a variety of derivative and non-derivative financial instruments as dictated by its investment management strategy. Its investment portfolio comprises non-quoted equity investments and fixed and variable interest loans, and investments in other schemes.

The Group activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Group is exposed are market risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

The Stanfield Funds Management Limited Board sets the overall strategy and policies for managing these risks and delegates the monitoring and management of these risks to the various committees including the Audit and Risk Committee and the Compliance Committee. The monitoring and management of the risks at the local level is further delegated to the Group's Board of Directors and senior management.

17. Financial risk management continued

Risk management framework

(a) Market risk

Market risk is analysed as market price risk, interest rate risk and currency risk.

(i) *Market price risk*

Market price risk is the risk that changes in market prices (other than changes due to currency or interest rate risk) will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures.

Management of market price risk

The investments are carried at fair value with changes in fair value recognised in the statement of comprehensive income; all changes in market conditions will directly affect net investment.

The following table details the breakdown of the investment assets held by the Group and Company:

	Consolidated	
% of total assets	**2014**	2013
Investments in – listed shares	**71%**	17%

Sensitivity analysis – market price risk

The price risk is measured when there are significant changes in underlying share prices.

The table below shows the risk in the Group and Company profit or loss after tax and equity position as at 30 June, for hypothetical changes in underlying prices.

	2014 **$**	2013 $
+10% change in equity price	**47,843**	62,000
-10% change in equity price	**(47,843)**	(62,000)

(ii) *Interest rate risk.*

Interest rate risk consists of cash flow interest rate risk (the risk that future cash flows of a financial instrument will vary due to changes in market interest rates) and fair value interest rate risk (the risk that the value of a financial instrument will vary due to changes in market interest rates).

Management of interest rate risk

Interest rate risk is the risk of financial loss and / or increased costs due to adverse movements in the values of the financial assets and liabilities as a result of changes in interest rates.

17. Financial risk management continued

Exposure to interest rate risk

As at the reporting date the interest rate profile of the Group's and Company's interest bearing instruments was:

	Consolidated	
	2014	2013
	%	%
Fixed interest rate		
Financial assets	**-**	2.5
Financial liabilities	**15-18**	18
Variable interest rate		
Financial assets	**2.5**	2.5
Financial liabilities	**-**	18

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates for fixed rate instruments would not affect profit and loss.

Cash flow sensitivity analysis for variable rate instruments

The variable interest rate bearing financial instruments are:

- Cash and cash equivalents

The Group seeks to maximize interest rates on cash balances and monitor rates available on a regular basis.

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss after tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated	
Effect in $	**+100bp**	**-100bp**
2014		
Financial assets	**443**	**(443)**
Financial liabilities	**-**	**-**
2013		
Financial assets *	7,053	(7,053)
Financial liabilities *	4,748	(4,748)

* Excluding derivatives

17. Financial risk management continued

(i) Currency risk

Currency risk is the risk that the value of assets and liabilities denominated in a foreign currency will fluctuate due to adverse movements in exchange rates.

As at 30 June 2014, the Group has exposure to currency risk relating to certain costs determined in $HK (equivalent to $30,000) (2013: nil).

(b) 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.

Management of credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Consolidated	
Carrying amount	**Credit Rating***	**2014 $**	2013 $
Cash and cash equivalents	AA	**-**	467
Cash and cash equivalents	A-	**135,300**	-
Cash on deposits	AA-	**45,282**	43,312
		180,582	43,779

(Rating: Standard & Poor's)

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Management of liquidity risk

The Group's policy is to ensure that, as far as possible, it will always have sufficient liquidity to meet its financial liabilities when due, under both normal and stressed conditions.

17. Financial risk management continued

Exposure to liquidity risk

The table below presents cash flows payable by the Group by remaining contractual maturities at the balance sheet date. The amounts disclosed are the contractual, undiscounted cash flows:

2014	Carrying amount $	Weighted average interest rate %	Maturity 6 months or less $	6-12 months $	1-2 years $	More than 2 years $
Consolidated						
Financial Liabilities						
Non-interest bearing						
Trade payables	314,042	-	314,042	-	-	-
Other payables	30,118	-	30,118	-	-	-
Interest bearing						
Loans - Convertible notes	100,000	18%	100,000	-	-	-
Loans - Convertible notes	303,352	15%	303,352	-	-	-
	747,512		747,512	-	-	-

2013	Carrying amount $	Weighted average interest rate %	Maturity 6 months or less $	6-12 months $	1-2 years $	More than 2 years $
Consolidated						
Financial Liabilities						
Non-interest bearing						
Trade payables	281,262	-	281,262	-	-	-
Other payables	7,907	-	7,907	-	-	-
Interest bearing						
Payables	-	-	-	-	-	-
Loans – Convertible Note	100,000	18.0%	-	-	130,000	-
	389,169		289,169	-	130,000	

The Group maintains cash flow forecasts for the next 12 months on a rolling basis. This takes into consideration all projected debt payments.

17. Financial risk management continued

(c) Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

The fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. Non-interest bearing related party receivables are repayable on demand, thus face value equates to fair value.

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date. For non-traded equity investments, the fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

The carrying amounts of financial assets and liabilities equates to their fair values at balance date.

18. Statement of Capital Management

Management controls the capital of the Company to ensure the Company can fund its operations and continue as a going concern. Over the past twelve months the Board has managed the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include management of debt levels, distribution to shareholders and share issues or buybacks.

The Company has a number of short term liabilities that must be met. The Board has explored various sources of capital to meet these commitments which are explained in the going concern note.

19. Parent Entity Disclosures

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

A. STATEMENT OF COMPREHENSIVE INCOME

		Parent Entity	
		2014	**2013**
	Notes	**$**	**$**
Net profit/(loss) attributable to equity holders of the Company		**(587,822)**	1,921,926
Movement in available-for-sale financial assets		**-**	(48,140
Total comprehensive profit/(loss) for the year		**(587,822)**	1,871,227

19. Parent Entity Disclosures continued

B. STATEMENT OF FINANCIAL POSITION

	Parent Entity	
	2014	**2013**
	$	**$**
ASSETS		
Total current assets	**225,179**	205,220
Total non-current assets	**450,090**	500,100
	675,269	705,320
Total assets		
LIABILITIES		
Total current liabilities	**(747,512)**	(474,844)
Total non-current liabilities	**-**	-
Total liabilities	**(747,512)**	(474,844)
Net assets	**(72,243)**	230,476
EQUITY		
Share Capital	**17,211,882**	16,926,779
Other Reserves	**109,852**	109,852
Accumulated losses	**(17,393,977)**	(16,806,155)
Total equity	**(72,243)**	230,476

20. Auditors remuneration

	Consolidated	
	2014	**2013**
	$	**$**
Auditors of the Company		
Grant Thornton Audit Pty Ltd		
Audit and review - subsidiaries and Group reports	**40,800**	64,000

21. Related parties

Key management personnel compensation

The key management personnel compensation included in ‘employment costs’ in the statement of comprehensive income is as follows:

	Consolidated	
	2014	**2013**
	$	**$**
Short-term employee benefits	**266,682**	240,091
Post-employment benefits	**-**	-
	266,682	240,091

21. Related parties continued

(a) Individual Directors and executives compensation disclosures

Information regarding individual Directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report.

Apart from the details disclosed in the Remuneration Report, no Director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Equity holdings and transactions

The movement during the reporting period in the number of ordinary shares of Stanfield Funds Management Limited held directly, indirectly or beneficially, by each specified Director and key management personnel, including their related entities, is as follows:

	Held at 30 June 2012	Purchases	Sales	Held at 30 June 2013	Purchases	Sales	Held at 30 June 2014
Directors							
D Olney-Fraser	718,908	19,047	25,000	**712,955**	**-**	**-**	**712,955**
A Olney	100,000	-	-	**100,000**	**-**	**-**	**100,000**
M Fletcher (resigned 20/8/12)	58,333	-	2,300	**56,033**	**-**	**56,033**	**-**

Transactions with director related entities

A number of Directors and key management personnel, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

	2014 $	2013 $
Loan receivable from Mariner Corporation Limited		
Opening balance	**-**	157,242
Loans provided	**-**	195,789
Interest charged	**-**	24,933
Repayments received	**-**	(377,964)
Closing balance	**-**	-

21. Related parties (continued)

Transactions with director related entities: Darren Olney-Fraser

Darren Olney-Fraser is a director of Nottingham Funds Management Pty Ltd which is a trustee of the Education Facilities Trust. Mr Olney-Fraser is also a director of Australian Public Trustees Limited. Interest on the loans receivable from and payable to related parties has been charged on normal terms and conditions.

	2014 $	2013 $
Loan receivable from Education Facilities Trust		
Opening balance	-	1,997,430
Interest charged	-	169,121
Repayments received	-	(555,400)
Transfer of receivable on disposal of group	-	(1,611,151)
Closing balance	-	-

	2014 $	2013 $
Loan payable to Nottingham Funds Management Pty Ltd		
Opening balance	-	(2,785,254)
Unpaid Directors Fees brought forward (1)	(144,000)	-
Current year Directors fees	(35,000)	-
Directors fees paid during year	16,667	-
Loan Repaid	91,598	2,248,785
Loans received	(14,100)	(1,899,932)
Interest charged	-	(266,699)
Loans Forgiven	-	2,703,100
Management services provided	84,835	-
Closing balance	-	-

(1) Included in Trade Payables in earlier years

Transactions with director related entities: John Pereira

During the year, the Company acquired Easybookings (International) Pte Limited which had been previously 100% owned by John Pereira who was the sole Director.

The agreement to acquire this company was negotiated before Mr Pereira replaced Darren Olney-Fraser as Chairman of Stanfield Funds Management Limited.

22. Group entity

Ultimate parent entity

The ultimate parent entity in the wholly-owned Group is Stanfield Funds Management Limited.

Name of entity	Country of Residence / Establishment	Ownership Interest 2014 %	Ownership Interest 2013 %
Parent company			
Stanfield Funds Management Limited (Subject to Deed of Company Arrangement)			
Controlled entities			
Stanfield Funds Management Limited	Hong Kong	100	-
Stanfield (Redhill Apartments) Pty Ltd	Australia	100	-
Stanfield (Wembley Oasis) Pty Ltd	Australia	100	-
Easybookings (International) Pte Ltd	Singapore	100	-

All four of the controlled entities were non-operating during the financial year.

23. Discontinued Operation

(i) *Description*

The directors announced their intention to dispose of the subsidiaries Stanfield Securities Limited and Stanfield Term Investments. The subsidiaries were sold on with effect from 6 May 2013 and the subsidiaries disposed are reported in these financial statements as discontinued operations.

Financial information relating to the discontinued operations for the period to the date of disposal is set out below

(ii) *Financial performance and cashflow information*

The financial information and cash flow information presented are for the period ended 6 May 2013

	2013
	$
Revenue	403,213
Expenses	(366,106)
Profit before income tax	37,107
Income Tax	-
Profit after income tax of discontinued operation	37,107
Gain on sale of subsidiary before income tax	529,999
Income tax expense	-
Gain on sale of Subsidiary after income tax	529,999
Profit from discontinued operation	567,107
Net cash inflow from operating activities	37,107
Net cash inflow from investing activities (includes sale)	2,473,411
Net cash (outflow) from financing Income tax expense	(2,688,734)
Net increase in cash generated by the division	(178,216)
Details of the sale of the Subsidiary	
Cash	250,000
Fair value of financial instruments as consideration	500,000
Total disposal consideration	750,000
Carrying amount of net assets sold	220,001
Gain on sale before income tax	529,999
Income tax	-
Gain on sale after income tax	529,999
The carrying amounts of assets and liabilities as at the date of sale (6 May 2013) were:	**6 May 2013**
Loans receivable	1,916,052
Intangibles	50,000
Trade receivables	124,303
Cash	356,140
Total assets	2,446,495
Trade creditors	(24,922)
Term investments	(2,201,572)
Total liabilities	(2,226,494)
Net assets	220,001

24. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2014 was based on the loss from continuing operations of $587,822 (2013: profit of $1,352,260) and a weighted average number of ordinary shares outstanding of 4,086,661 (2013: 3,748,118 shares), calculated as follows:

	Consolidated	
	2014	**2013**
	$	**$**
Net profit/(loss) from continuing operations for the year	(587,822)	1,352,260
Weighted average number of ordinary shares (basic)		
In shares		
Issued ordinary shares at 1 July	4,720,594	3,776,476
Weighted average number of ordinary shares at 30 June	4,086,661	3,748,118
Basic earnings / (loss) per share (cents)	(14.4)	36.0
Diluted earnings / (loss) per share (cents)	(14.4)	35.8

There are no adjustments to the accounts required to reflect the impact of any non controlling equity interests or other types of shares that could impact the calculations for ordinary shareholders.

25. Contingencies

Other than the following, there are no contingent assets or contingent liabilities as at 30 June 2014.

Level 4 Podium, 120 Collins Street lease: The Company executed a Deed of Extension and Variation of Lease, dated 1 May 2013, to extend the lease for a period of 1 year, 4 months and 120 days commencing from 12 April 2013. The new expiry date for the lease is now 31 August 2014.

Operating Lease Commitments: Non-cancellable operating leases contracted for by the entity, and other related entities for use by the company, but not capitalised in the financial statements:

Payable – minimum lease payments

No later than 12 months $13,392

26. Going Concern

The Group made a net loss of $587,822 for the year ended 30 June 2014 and, as of that date, the Group's current liabilities exceeded its current assets by $522,333. The Company entered Voluntary Administration on 12 August 2014. The Administrator entered into a Deed of Company Arrangement with NVNG Investments Pty Ltd on 8 October 2014 which is currently being implemented.

The Directors have reached the conclusion that based on all available facts and information currently available, there are reasonable grounds to believe that the Group will be able to pay its debts and is a going concern, on the bases detailed in the Deed of Company Arrangement. In reaching this conclusion the Directors have had regard to, amongst other things, the following:

- Successful Capital raisings as detailed in the Deed of Company Arrangement;
- The Group's investment in Aquaint Capital Holdings Limited, which is currently listed on the ASX and subject to escrow until 15 November 2015, can be realised past this date at the then market value; and
- Trade payables, which include amounts payable to Directors and their related entities, are able to be managed to assist the timing of cash payments.

The financial report does not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue as a going concern.

27. Events subsequent to reporting date

Since 30 June 2014 the following significant changes have occurred:

a) On 12 August the Directors appointed Mathew Gollant and Timothy M S Holden as Joint and Several Administrators.
b) On 25 August the ASX suspended the Official Listing of the Company.
c) On 1 October ASX notified that Mathew Gollant now sole Administrator.
d) On 8 October ASX notified of execution of Deed of Company Arrangement including the appointment of four Directors. On 16 January 2015 ASX was notified execution Deed of amendment to the Deed of Company Arrangement.
e) On 24 October ASX notified of Financial Reporting relief until 12 May 2015

28. Company details

The registered office and principal place of business of the Company is:
Stanfield Funds Management Limited
283 Rokeby Road
SUBIACO WA 6008
Australia

Stanfield Funds Management Limited (Subject to Deed of Company Arrangement) and Controlled Entities
ABN 54 006 222 395

Directors' declaration

The Directors of the Company declare that:

the financial statements and notes, as set out on pages 16 to 45 are in accordance with the *Corporations Act 2001* and:

a. comply with Accounting Standards, which as stated in accounting policy Note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); 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 Company and consolidated Group;

c. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;

d. the financial statements and notes for the financial year comply with the Accounting Standards; and

e. the financial statements and notes for the financial year give a true and fair view;

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 as disclosed in note 31 to the financial statements.

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

CC Clump

Chairman
Carlyle Clump

Dated this 10th day of February 2015

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

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Independent Auditor's Report
To the Members of Stanfield Funds Management Limited

Report on the financial report

We have audited the accompanying financial report of Stanfield Funds Management Limited (the "Entity"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Entity 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 Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Basis for qualified auditor's opinion

We were unable to obtain sufficient appropriate audit evidence around the validity of a number of material expenses recognised within the statement of profit or loss and other comprehensive income for the year ended 30 June 2014, specifically:

- occupancy costs of $30,000 for the new office in Hong Kong;
- legal costs of $5,000 paid in association with the acquisition of Easy Bookings; and
- website design costs of $2,070.

Qualified Auditor's opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the validity of material expenditure items noted above:

a the financial report of Stanfield Funds Management Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Emphasis of matter

Without qualification to the audit opinion expressed above, we draw attention to Note 26 to the financial report which indicates the conditions and assumptions the directors have used in determining whether the entity is a going concern as at 30 June 2014. These conditions, along with other matters as set forth in Note 26, indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern and therefore, the entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 12 to 13 of the Directors' Report for the year ended 30 June 2014. The Directors of the Entity are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Stanfield Funds Management Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Adrian Nathanielsz
Partner - Audit & Assurance

Melbourne, 10 February 2015

Shareholder information

A. Substantial Shareholders

The following have a relevant interest (>5%) in the capital of Stanfield Funds Management Limited as at 12 August 2014.

Substantial ordinary shareholders	No. of ordinary shares held	Percentage held of Issued Ordinary Capital
NOTTINGHAM FUNDS MANAGEMENT PTY LTD	712,955	15.1
SKYLINE ENTERTAINMENT HOLDING LTD	625,000	13.2
KRISAMI INVESTMENTS PTY LTD	403,199	8.5
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	359,047	7.6
BLIZZARD WINDS PTY LTD	319,118	6.8

B. Distribution of Equity Securities

(i) Analysis of numbers of equity security holders by size of holding as at 12 August 2014.

			Ordinary Shares	
Category (Size of Holdings)			Number of Holders	Unlisted Options
1	-	1,000	488	-
1,001	-	5,000	69	-
5,001	-	10,000	15	-
10,001	-	100,000	45	1
100,001	-	and over	9	-
			626	1

(ii) There were 540 holders of less than a marketable parcel of ordinary shares.

Shareholder information

B. Equity Security Holders

Twenty largest quoted equity security holders (12 August 2014)

	Ordinary shares	
	Number held	Percentage of issued shares
NOTTINGHAM FUNDS MANAGEMENT PTY LTD	712,955	15.1
SKYLINE ENTERTAINMENT HOLDING LTD	625,000	13.2
KRISAMI INVESTMENTS PTY LTD	403,199	8.5
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	359,047	7.6
BLIZZARD WINDS PTY LTD	319,118	6.8
MR CHRISTOPHER DAVID MILNE + MS DIMITY ANNE MILNE	200,000	4.2
RHEAD INVESTMENTS PTY LTD <RHEAD SUPER FUND A/C>	114,637	2.4
MR MERVYN BROWN + MS YVONNE BROWN	105,000	2.2
QUALITY LIFE PTY LTD	101,212	2.1
MR LLOYD ELLIOTT CLARK + MRS JAN ELIZABETH CLARK <L & J CLARK SUPER FUND A/C>	100,000	2.1
PROPERTY MANAGEMENT GROUP PTY LTD	100,000	2.1
MR COLIN JOHN ROBERTSON + MRS ANNE PEGGY ROBERTSON <ROBERTSON SUPER FUND A/C>	100,000	2.1
TUNCROSS PTY LTD <SUPER FUND A/C>	99,990	2.1
MR ALISTER JOHN FORSYTH	90,000	1.9
CARRINGBUSH ENTERPRISES PTY LTD	60,000	1.3
C MILNE PTY LTD <C D SUPER FUND A/C>	50,000	1.1
MR PAUL JAMES LAPPIN & MS SIOBHAN CATHERINE LYONS <LAPPIN SUPER FUND A/C>	50,000	1.1
MR CHRISTOPHER DAVID MILNE + MS DIMITY ANNE MILNE <THE MILNE FAMILY A/C>	50,000	1.1
MRS MAURA ELIZABETH BRAITHWAITE	45,000	1.0
FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR NOMINEE A/C>	44,664	0.9

C. Voting Rights

The voting rights, upon a poll, are one vote for each share held.

Corporate Directory

Directors

Carl Clump
Chairman

Xavier Kris
Non-Executive Director

James Pearson
Non-Executive Director

Paul Doropoulos
Executive Director

Tom Sargant
Non-Executive Director

William Ng
Non-Executive Director

Company Secretary

Stephen Hewitt-Dutton

Corporate Details

Stanfield Funds Management Limited
(Subject to Deed of Company Arrangement)
ACN: 006 222 395
ABN: 54 006 222 395

Registered Office

283 Rokeby Road
SUBIACO WA 6008

Telephone: +61 8 6315 3505
Facsimile: +61 8 9481 1947

Auditor

Grant Thornton Audit Pty Ltd
Chartered Accountants
The Rialto, 525 Collins Street, Melbourne
VIC 3000

Bankers

Bank of Queensland Ltd
SH 24 Floreat Forum
S/Centre Floreat
WA 6014

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
GPO Box 2975EE, Melbourne VIC 3000
T: 1300 787 272
T: +61 3 9415 4000 (outside Australia)
F: +61 3 9473 2500

Stock Exchange Listings

The ordinary shares of Stanfield Funds Management Limited are listed on the Australian Stock Exchange
(Code: SFN)