

**ADVANCED SHARE REGISTRY LIMITED
AND CONTROLLED ENTITIES**

A.C.N. 127 175 946

PRELIMINARY FINAL REPORT

30 June 2018

ADVANCED SHARE REGISTRY LIMITED AND CONTROLLED ENTITIES

Preliminary Final Report

The Board of Advanced Share Registry Limited are pleased to announce a profit of \$3,203,655 for the period 1 July 2017 to 30 June 2018 before income tax (2017 - \$2,930,679). Both of these amounts include the impact of the announced change in accounting policy as outlined below and in Note 5 to the financial statements following.

The final result and financial position are subject to final audit closure; however, the Board is not aware of any likely variation to the figures disclosed in this preliminary report.

Gross revenues for the year were \$6,086,346 compared to \$6,064,326 for last year.

Our headline results this year are boosted by the recognition of the growth in value of our property assets in the Sydney CBD. These properties were bought principally as our business offices in Sydney but have proved to be a beneficial long term investment and we have recognised their increase in value in this year's accounts, following a year of extraordinary growth in Sydney CBD office values.

Operationally the period was essentially steady in exceptionally difficult trading conditions. Costs increased marginally in line with expenses associated with operating cost increases in the current economic climate. We are looking for growth with a focus on revenue from some new initiatives, principally the investment in Private Company Platform Pty Ltd and continuing development work on our website.

Our previous announcement regarding the adoption of fair value accounting for the Group's buildings noted that the properties held by the group had increased in value by a combined amount of approximately \$1,860,000. Reporting requirements have allocated this amount across the years ended 30 June 2016, 2017 and 2018 as well as between the reporting lines of profit and other comprehensive income. The amount announced was before the formal valuation report on each of the properties was received.

In relation to the investment property, part of this is seen as a \$750,000 gain and \$350,000 gain in the profit loss for 2018 and 2017 respectively, whilst \$308,000 has been allocated to other comprehensive income in 2016. The property which contains the Group's Sydney office has all been included in other comprehensive income, with approximately \$467,000 being recorded in the year ended 30 June 2018.

Dividend

The Board has declared a fully franked dividend of 2.10 cent per share from profits earned in this period. The dividend will be payable on 31 August 2018.

Net Tangible Asset Backing

The net tangible asset backing per ordinary share for current year is 17.05 cents (2017 – 14.86 cents).

Operations

The Group's revenue is derived from the providing of Share Registry Services and related operations.

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Preliminary Final Report for the year ended 30 June 2018

A.C.N. 127 175 946

APPENDIX 4E

Results for announcement to market
(All comparisons to period ended 30 June 2017)

		Up/Down	% Movement
Revenues from ordinary activities	\$6,836,346	Up	6.58%
Profit from ordinary activities after tax attributable to members	\$2,289,574	Up	11.33%
Net profit from ordinary activities attributable to members	\$2,289,574	Up	11.33%

Dividends (distributions)

	Amount per Share	Franked amount per share (cents) at 27.5% of tax
Final dividend per share (paid 18 August 2017)	2.10c	2.10c
Interim dividend per share (paid 08 February 2018)	2.10c	2.10c
Proposed final dividend (to be paid on 31 August 2018)	2.10c	2.10c

Final dividend dates

Ex-dividend date	29 August 2018
Record date	30 August 2018
Payment date	31 August 2018

	2018	2017
Net tangible assets per security	17.05 cents	14.86 cents

The dividends contain no conduit foreign income.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2018

	Notes	2018 \$'000	2017 <i>(restated)</i> \$'000
Sales Revenue	2	5,923	5,917
Other income	2	163	147
Gain on revaluation of investment property	5	750	350
Occupancy expenses		(254)	(232)
Administrative expenses		(1,847)	(1,865)
Other operating expenses		(1,323)	(1,101)
Depreciation and amortisation	2	(208)	(285)
Profit before income tax		3,204	2,931
Income tax expense		(914)	(874)
Profit after tax		2,290	2,057
Other comprehensive income			
Gain on revaluation of property	5	467	-
Income tax expense on gain on property		(128)	-
Income tax benefit on change in tax rate		-	5
Total other comprehensive income		339	5
Total comprehensive income for the year		2,629	2,062
Profit attributable to:			
Owners of the parent		2,291	2,057
Non-controlling interest		(1)	-
		2,290	2,057
Comprehensive income attributable to:			
Owners of the parent		2,630	2,062
Non-controlling interest		(1)	-
		2,629	2,062
Basic Earnings Per Share		5.35 cents	4.81 cents
Diluted Earnings Per Share		5.35 cents	4.81 cents

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

ADVANCED SHARE REGISTRY LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Notes	2018 \$'000	2017 (restated) \$'000	As at 1 July 2017 (restated) \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	9	4,272	4,033	3,821
Trade and other receivables		855	912	1,153
Other current assets		31	30	24
Total Current Assets		5,158	4,975	4,998
Non-current Assets				
Property, plant and equipment	5	1,125	684	734
Investment property	5	2,150	1,400	1,050
Intangible assets		1,054	1,154	1,354
Deferred tax asset		189	148	165
Total Non-current Assets		4,518	3,386	3,303
TOTAL ASSETS		9,676	8,361	8,301
LIABILITIES				
Current Liabilities				
Trade and other payables		327	279	330
Current tax liabilities		156	70	273
Short term provisions		347	340	310
Total Current liabilities		830	689	913
Non-current liabilities				
Long term provisions		6	12	17
Deferred tax liabilities		481	153	66
Total Non-current liabilities		487	165	83
TOTAL LIABILITIES		1317	854	996
NET ASSETS		8,359	7,507	7,305
EQUITY				
Issued Capital		6,034	6,034	6,034
Retained earnings		1,715	1,220	1,023
Reserves		593	253	248
Total parent entity interest in equity		8,342	7,507	7,305
Total non-controlling interest		17	-	-
TOTAL EQUITY		8,359	7,507	7,305

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

ADVANCED SHARE REGISTRY LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Cash flows from the operating activities			
Receipts from customers		6,460	6,785
Payment to suppliers and employees		(3,776)	(3,807)
Interest received		84	95
Income tax paid		(669)	(967)
Net cash flows provided by operating activities		<u>2,099</u>	<u>2,106</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(65)	(36)
Net cash flows used in investing activities		<u>(65)</u>	<u>(36)</u>
Cash flows used in financing activities			
Dividends paid		(1,795)	(1,858)
Net cash flows used in financing activities		<u>(1,795)</u>	<u>(1,858)</u>
Net increase/(decrease) in cash and cash equivalents		239	212
Cash and cash equivalents at the beginning of the year		4,033	3,821
Cash and cash equivalents at the end of the year	9	<u>4,272</u>	<u>4,033</u>

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Issued Capital \$'000	Retained Earnings \$'000	Employee Rights Reserve \$'000	Asset Revaluation Reserve \$'000	Total \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance as at 1 July 2016 before adjustment for change in accounting policy	6,034	1,012	-	-	7,046	-	7,046
Effect of change in accounting policy	-	11	-	248	259	-	259
Balance as at 1 July 2016	6,034	1,023	-	248	7,305	-	7,305
Profit for the period	-	2,057	-	-	2,057	-	2,057
Other comprehensive income	-	-	-	5	5	-	5
Total comprehensive income	-	2,057	-	5	2,062	-	2,062
Dividends paid or provided for	-	(1,860)	-	-	(1,860)	-	(1,860)
Balance as at 30 June 2017 (<i>restated</i>)	6,034	1,220	-	253	7,507	-	7,507
Profit for the period	-	2,290	-	-	2,290	(1)	2,289
Other comprehensive income	-	-	-	339	339	-	339
Total comprehensive income	-	2,290	-	339	2,629	(1)	2,628
Non-controlling interest on acquisition	-	-	-	-	-	18	18
Dividends paid or provided for	-	(1,795)	-	-	(1,795)	-	(1,795)
Employee performance rights	-	-	1	-	1	-	1
	-	(1,795)	1	-	(1,794)	18	(1,776)
Balance as at 30 June 2018	6,034	1,715	1	592	8,342	17	8,359

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

NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2018

1. BASIS OF PREPARATION OF THE PRELIMINARY FINAL REPORT

The preliminary final report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

As such, the preliminary final report does not include all notes of the type normally included with the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing interesting activities of the entity as the full financial report. It is also recommended that the preliminary final report be considered together with any public announcements made by Advanced Share Registry Limited in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

a) Basis of accounting

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

b) Statement of compliance

The preliminary final report complies with Australian Accounting Standards, which include Australian equivalents to the International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the preliminary final report, comprising the financial statements and notes thereto, complies with the International Financial Reporting Standards ('IFRS').

c) Change in accounting policy

The Group has changed its accounting policies associated with its holding of property both as investment property and as property, plant and equipment. The Group has adopted fair value methodology. The impact of this change is further detailed in Note 5 below.

d) Comparative information

The comparative information shown in the statement of comprehensive income, statement of financial position, statement of cash flows and notes to the Financial Statements is for the year ended 30 June 2017 as restated for the change in accounting policy noted above.

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NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2018

2. REVENUE AND EXPENSES

	2018	2017
	\$'000	\$'000
Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:		
(i) Revenue		
Share Registry Fees	5,923	5,917
(ii) Other revenues from ordinary activities		
Interest received	81	83
Property Investment	76	61
Other income	7	3
(iii) Expenses		
Depreciation and amortisation	191	286
Impairment of goodwill on consolidation	17	-

3. DIVIDENDS PAID OR PROPOSED

Equity dividends on ordinary shares paid:

Final dividend paid being a fully franked dividend of 2.1 cents.	898
Interim dividend paid being a fully franked dividend of 2.10 cents.	

Equity dividends on ordinary shares proposed:	898
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Final dividends proposed and not recognised as a liability being a fully franked dividend of 2.10 cents for financial period 30 June 2017.

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4. SHARE CAPITAL

<i>Ordinary shares</i>	2018	2017
Issued	42,746,500	42,746,500

5. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY – ADOPTION OF FAIR VALUE METHODOLOGY

The Group has currently holds property at two locations within Sydney. One property is classified as Property Plant and Equipment as it is the operational office of the Group in Sydney. The other property is held as an investment and is currently leased to external parties.

NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2018

5. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY – ADOPTION OF FAIR VALUE METHODOLOGY (CONTINUED)

The Group has determined to change the accounting policies for its properties and will now record the fair value of the properties rather than their historical cost. The Group has determined that recording the properties at fair value provides a better indication of the Group's asset position than recording the properties at historical cost. For the property classified as an investment property, this has required restatement of the comparatives and opening balances for the financial reports as a voluntary change to accounting policies requires the Group recalculate its balances as if the revised policy has always been used for its reports. For the property classified as property plant and equipment, the restated value is provided on a prospective basis in the current year.

As a result of the change in policy, the Group obtained valuations in order for it to be able to bring to account value changes for the years ended 30 June 2016, 2017 and 2018 as required.

The investment property had previously been used by the Group as its office in Sydney, and during the year ended 30 June 2016, was reclassified from property, plant and equipment to investment property. As required by the accounting standards, the increase in value of the investment property whilst held as property plant and equipment has been allocated to the asset revaluation reserve for the year ended 30 June 2016, whilst subsequent increases in value of the investment property have been accounted for in profit and loss.

The remaining property has had its increase in value attributed to the asset revaluation reserve.

Changes in value of property lead to a deferred tax adjustment, where the deferred tax associated with the value change is effectively recorded as part of the value change. Where the revaluation has been allocated to the asset revaluation reserve, the deferred tax treatment is offset against the value attributed to the reserve, whilst revaluations that are accounted for in profit and loss have the deferred tax treatment also recorded in profit and loss.

Buildings, as property, property plant and equipment, have recorded an increase in value of \$467,356 as at 30 June 2018 before deferred tax adjustments of \$128,523 represented as the asset revaluation reserve at 30 June 2018 of \$338,833.

Buildings, as investment property, have recorded an increase in value of \$350,000 for the year ending 30 June 2017 before deferred tax adjustments of \$96,250 leading to an increase in retained earnings of \$253,750. The increase in value of the investment property in the current year is \$750,000

In addition, as a result of the change in accounting policy, the investment property ceased to be depreciated from 1 January 2016, the date on which it was reclassified as an investment property. This has required a decrease to the depreciation previously recorded by \$10,553 and \$21,221 for the years ended 30 June 2016 and 30 June 2017 respectively, which has been reflected in an increase to retained earnings in each period.

An adjustment has been applied to the comparative disclosures in the financial statements for the year ended 30 June 2017.

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NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2018

5. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY – ADOPTION OF FAIR VALUE METHODOLOGY (CONTINUED)

Statement of Financial Position (extract)	Original Balance 30 June 2017	Adjustment	Adjusted Balance 30 June 2017
Non current assets			
Investment property	709,873	690,127	1,400,000
Deferred tax assets	144,585	3,748	148,333
Non current liabilities			
Deferred tax liabilities	1,562	151,573	153,135
Equity			
Retained earnings	931,172	289,272	1,220,444
Reserves	-	253,030	253,030
Statement of Profit or Loss and Other Comprehensive Income (extract)	Original Balance 30 June 2017	Adjustment	Adjusted Balance 30 June 2017
Income			
Gain on revaluation of investment property	-	350,000	350,000
Expenses			
Depreciation	306,860	(21,221)	285,639
Profit before income tax	2,559,458	371,221	2,930,679
Income tax expense	780,382	93,735	874,117
Profit after income tax	1,779,076	277,486	2,056,562
Other comprehensive income			
Income tax benefit on change in tax rate	-	5,029	5,029
Total comprehensive income	1,779,076	282,515	2,061,591

The impact on the basic and diluted earnings per share for the year ended 30 June 2017 as a result of the adjustment is as follows:

	Previously stated 30 June 2017	Restated 30 June 2017
Basic earnings per share (cents)	4.03	4.81
Diluted earnings per share (cents)	4.03	4.81

6. CONTINGENT ASSETS AND LIABILITIES

Since the reporting date, there has been no material change of any contingent liabilities or contingent assets.

NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2018

7. ACQUISITION OF SUBSIDIARY

On 26 March 2018, the Group acquired a 51% stake and control of Private Company Platform Pty Ltd (PCP) with the appointment of two directors to the board of PCP. The purchase of the controlling stake in PCP is a synergistic acquisition as PCP is developing systems by which companies will be able to profile and attract a following of potential investors. The companies will then be able to more easily communicate with investors with the view to build to a size where listing may become viable. Companies on the system will be able to utilise the full services of the Group when the company requires registry services or assistance with capital raising.

The Group acquired 176,500 shares for a total cash consideration of \$35,300. Prior to the Group's acquisition, the only tangible asset of PCP was its own cash at bank of \$128.

Whilst the Group determined that the systems that PCP had under development would form a valuable resource to the Group in future, it was considered that given the early stage of the development, it was prudent to adopt a book value for the intellectual property acquired of nil. Accordingly, the Group's acquisition of PCP generated a goodwill component of \$17,232. For the same reasons as not recognising the value of the intellectual property in the systems of PCP, the goodwill was immediately impaired resulting in a loss on consolidation of \$17,232.

No other assets or liabilities, contingent or otherwise, of PCP existed at the acquisition date.

Non-controlling interests were valued at \$17,360 being their respective share of the underlying net assets of PCP after the contribution of equity by the Group.

8. EVENTS AFTER THE BALANCE SHEET DATE

The directors have declared a fully franked final dividend of 2.10 cents per ordinary share in respect of the financial period ending 30 June 2018.

9. ADDITIONAL INFORMATION

Reconciliation of Cash

	2018	2017
	\$'000	\$'000
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June 2018.		
Cash at bank and in hand	1,172	933
Short term deposits	3,100	3,100
Total	<u>4,272</u>	<u>4,033</u>

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NOTES TO FINANCIAL STATEMENTS
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10. OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed on the basis that it provides share registrar services and manages investment property in the geographical region of Australia. The provision of share registry services and investment in property are considered to be two business segments.

	2018	2017
	\$'000	\$'000
Segment Performance		
Revenue		
Share Registry services	6,010	6,003
Property Investment	76	61
Total group revenue	<u>6,086</u>	<u>6,064</u>
Segment Assets		
Share Registry services	7,526	6,961
Property Investment	2,150	1,400
Total group assets	<u>9,676</u>	<u>8,361</u>

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COMMENTS BY DIRECTORS

NIL

ANNUAL MEETING

Place: 110 Stirling Highway, Nedlands WA

Date: 7 November 2018

Time: 10:00am

Approximate date the annual report will be available: 30 September 2018

AUDIT

This preliminary final report is unaudited. The Group's accounts are in the process of being audited.

A C WINDUSS
Director

Perth, Western Australia
31 August 2018