



**ADVANCED**  
SHARE REGISTRY



## **ANNUAL REPORT 2019**

**ADVANCED SHARE REGISTRY LIMITED**  
ACN 127 175 946

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

---

## CORPORATE DIRECTORY

### Board of Directors

S K Cato Non-Executive Chairman  
K P Chong Managing Director  
A Tan Non-Executive Director  
A C Winduss Non-Executive Director

### Sydney Office

Suite 8  
325 Pitt Street  
Sydney NSW 2000  
Telephone: +61 2 8096 3502  
Facsimile: +61 8 9262 3723

### Company Secretary

A C Winduss

### Auditors

Pitcher Partners BA&A Pty Ltd  
Level 11  
12-14 The Esplanade  
Perth WA 6000

### Stock Exchange Listing

**ASX Code ASW**

Advanced Share Registry Limited is a company limited by shares, incorporated in Australia

### Solicitors

Eaton Hall  
Level 25  
108 St Georges Terrace  
Perth WA 6000

### Share Registry

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9262 3723  
Website [www.advancedshare.com.au](http://www.advancedshare.com.au)  
Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

### Contents

### Registered Office

Suite B1  
661 Newcastle Street  
Leederville WA 6007  
Telephone: +61 8 9217 9800  
Facsimile: +61 8 9217 9899  
Email: [a.winduss@advancedshare.com.au](mailto:a.winduss@advancedshare.com.au)

	Page
Directors' Report (including Review of Operations)	2
Auditor's Independence Declaration	12
Consolidated Statement of Profit or Loss and Other Comprehensive Income	13
Consolidated Statement of Financial Position	14
Consolidated Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17
Directors' Declaration	60
Independent Auditor's Report	61
Shareholder Information	66

### Corporate Office

110 Stirling Highway  
Nedlands WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9262 3723  
Website [www.advancedshare.com.au](http://www.advancedshare.com.au)  
Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

---

## FROM THE CHAIRMAN

Dear Shareholder

On behalf of the Board of Advanced Share Registry Limited, I am pleased to issue the annual report for the year ending 30 June 2019.

The Board is pleased to advise a profit before income tax of \$2,049,209 for the period 1 July 2018 to 30 June 2019, (\$3,203,655 in 2018).

Operationally, trading conditions remained tight with a year that saw a dramatic downturn in ASX national new listings\*, only 23 new listings occurred in the first half of 2019 compared to the 5 year average of 36. The total amount of cash raised by IPO was also subdued with only \$823 million raised during the first half of 2019 compared to \$2.5 billion raised in the first half of 2018.

Also, very relevantly for Advanced Share Registry Limited, nationally only 3 listings were in the materials sector and we were appointed registry for 1 of these companies. The low volume of listings in the materials sector is especially unusual given the uptick in the gold price.

We were also successful in being appointed as registrar for companies listing on the National Stock Exchange of Australia.

Early in August 2019, we relaunched our new website for clients and investors. We have received many compliments regarding its new features and ease of use.

Overall, we have maintained our dividend in difficult times. I would like to thank our staff for their significant efforts this year and particularly those responsible for the implementation and testing of the new website.



Simon Cato  
Chairman

\* IPO Watch Australia, Mid -year report July 2019. HLB Mann Judd.

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

---

## DIRECTORS' REPORT

The Directors present their report, together with the financial report of Advanced Share Registry Limited ("ASW" or "Company") and its controlled entities ("Group") for the year ended 30 June 2019 and the auditor's report thereon.

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

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

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

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

### **Simon Kenneth Cato**

Qualifications

Experience

Chairman

B A (USYD)

Appointed chairman on 22 August 2007

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

Interest in Shares & Options

Special Responsibilities

Directorships held in other

Listed entities

520,000 ordinary shares

Mr Cato is the Non-Executive Chairman of the Group

Mr Cato is a director of Greenland Minerals and Energy Ltd (since 21 February 2006), Bentley Capital Ltd (since 7 January 2015) and Keybridge Capital Ltd (since 29 July 2016).

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

Nil

### **Kim Phin Chong**

Experience

Managing Director and Chief Executive Officer

Appointed director on 22 August 2007

Mr Chong has been involved in the share registry business for nearly 40 years. Following over 14 years working in the industry,

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

---

## DIRECTORS' REPORT

Interest in Shares & Options	Mr Chong commenced Advanced Share Registry Services in 1996. His experience in information technology and business skills has been a major influence in making the group such a success.
Special Responsibilities	23,955,885 ordinary shares Mr Chong is the managing director of the Group, responsible for the day to day management of the business.
Directorships held in other listed entities	Nil
<b>Alvin Tan</b>	Non-Executive Director
Qualifications	B Com (Hons)
Experience	Appointed director on 11 September 2007 Mr Tan has over 24 years experience in Australia and Asia, including mergers, acquisitions, capital raisings and listings on the ASX, AIM, Bursa and German Stock Exchange. Mr Tan studied at the University of Western Australia, gaining a Bachelor of Commerce with Honours, and was then employed by KPMG in Kuala Lumpur from 1993-1995 as a financial consultant. Returning to Australia, he worked with the stockbroking firm of DJ Carmichael before pursuing other business interests. He is a founding director of various companies which are now listed on the ASX. Mr Tan has interests in companies involved in technology, mining exploration, property development, plantation and corporate services both in Australia and overseas.
Interest in Shares & Options	525,500 ordinary shares
Directorships held in other listed entities	Mr Tan is a director of South Pacific Resources Ltd (formally Coral Sea Petroleum Limited since 2000) and BKM Management Ltd (since 2002).  Former directorships in other listed entities in past 3 years are: Nil.
<b>Alan Charles Winduss</b>	Non-Executive Director and Company Secretary
Qualifications	CPA, FTIA, FAICD, AFAIM
Experience	Appointed director 22 August 2007 Mr Winduss is a director of Winduss & Associates Pty Ltd. He has been involved in professional accounting in public practice for over 30 years, specialising in matters relating to corporate management, restructuring, corporate finance and company secretarial matters, including ASX and ASIC compliance. In addition to his accounting background, he is an Associate Fellow of the Australian Institute of Management, a Fellow of the Australian Institute of Company Directors and is a registered Australian company auditor.

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

---

## DIRECTORS' REPORT

Interest in Shares & Options	225,000 ordinary shares
Special Responsibilities	Mr Winduss is also the Secretary and Chief Financial Officer of the Group.
Directorships held in other listed entities	United Overseas Australia Limited ASX Listed (since November 1995), UOA REIT BHD Bursa Malaysia Listed (since October 2008), UOA Development Bursa Malaysia Listed (since January 2011).
	Former directorships in other listed entities in past 3 years are: Nil

### The Year in Review

In financial year to 30 June 2019 the Group achieved revenue of \$5,261,143 (2018: \$5,923,204) and a profit before taxation of \$2,049,209 (2018: \$3,203,655 which included a revaluation of \$750,000 in relation to the Group's investment property).

This profit was after charges of \$87,284 for amortisation and depreciation and \$559 for impairment.

The Board is pleased with this result having regard to a year of mixed and difficult market conditions. Economic conditions influence corporate market activity, influence future sales, profit levels for the group and in order to minimise the effect of these market variables we are adding further services and products to our portfolio of services to clients.

The Group paid a final dividend of 2.00c per share on 16 September 2019.

The Board is confident of continuing success for the Group but also realise economic conditions and market competition will influence this.

### Director's Meetings

Director	Board Meetings Held	Board Meetings Attended
S. Cato	4	4
K. Chong	4	4
A. Tan	4	4
A. Winduss	4	4

The Group does not have any audit, risk, remuneration or nomination committees. These functions are performed by the Board of Directors as a whole.

**DIRECTORS' REPORT****Term in Office**

Term in office for each Director at the date of this report is:

S. Cato	12 years
K. Chong	12 years
A. Tan	12 years
A. Winduss	12 years

**Information Distributed to Shareholders**

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

The half yearly report is distributed to shareholders on request.

**Interest in the Shares of the Group**

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

	Ordinary Shares	
	Direct	Indirect
S. Cato	375,000	145,000
K. Chong	-	23,955,885
A. Tan	-	525,500
A. Winduss	215,000	10,000

As at the date of this report, 27,000 performance rights issued to employees of the Group were outstanding. The performance rights may convert to the right to acquire shares in the Company upon the satisfaction of certain conditions by those employees. The performance rights have no issue price and do not participate in new issues of securities until the performance right has vested, is exercised and a share has been issued in respect of the performance right. A performance right may be exercised within 3 months of the vesting date, which is 30 April 2020 subject to satisfaction of the performance criteria. No performance rights were issued, cancelled, lapsed or were forfeited during the year. Pursuant to the Remuneration Policy of the Group, no performance rights have been issued to any officer, including those officers who are also employees, of the Group.

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

---

## DIRECTORS' REPORT

### Dividends Paid or Recommended

	Cents per share	Total
Final dividend paid – 31 August 2018	2.10c	\$897,677
Interim dividend paid – 8 February 2019	2.00c	\$854,930
Final dividend paid – 16 September 2019	2.00c	\$854,930

### Nature of Operations and Principal Activities

The principal activity of the Group during the financial year was a provider of share registry and other corporate services.

### Significant Changes in State of Affairs

There were no significant changes in the state of affairs of our company during the financial year ended 30 June 2019.

### Employees

The Group employed 20 persons as at 30 June 2019 (2018: 20 persons).

### Summarised Operating Results

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

Segment Performance	2019 \$	2018 \$
<b>Revenue</b>		
Share registry services	5,350,528	6,010,691
Property Investment	78,373	75,655

### Shareholder Returns

The Board approved an ordinary 2.00c fully franked dividend which was paid on 16 September 2019.

	2019	2018
Basic earnings per share	3.46c	5.36c
NTA per share	16.30c	17.05c
Return on Equity	18.29%	27.39%
Return on Assets	15.79%	23.66%



## **DIRECTORS' REPORT**

### **Cash Flow from Operations**

Cash flow from operations has been positive during the period and this is not expected to change in future periods. Cash surplus will be used for investment and expansion of the business.

### **Likely Developments and Results**

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

### **Environmental Regulations**

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

### **Significant Events after Balance Date**

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

A fully franked dividend of 2.00 cents per share totalling \$854,930 was paid on 16 September 2019.

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

### **Indemnification and Insurance of Officers**

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

### **Indemnification of Auditors**

The Group has not indemnified or agreed to indemnify any person or entity who is or was an auditor of the Group against any liability incurred as auditor of the Group.

### **REMUNERATION REPORT (Audited)**

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

The Key Management Personnel of the Company and the Group, and the positions that they hold, are listed in the following table.

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## DIRECTORS' REPORT

### REMUNERATION REPORT (Audited)

Key Management Personnel	Position held as at 30 June 2019 and any change during the year	Contract details (duration and termination)
Mr Kim Phin Chong	Chief Executive Officer / Managing Director	Under contract until 1 June 2020 with a 90-day notice period required for termination.
Mr Simon Cato	Chairman (Non-executive)	No fixed term.
Mr Alan Winduss	Director (Non-executive)	No fixed term.
Mr Alvin Tan	Director (Non-executive)	No fixed term.

### Remuneration Policy

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

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

### Key Management Personnel Remuneration

The Board of Directors are responsible for determining and reviewing compensation arrangements for the Directors, Chief Executive Officer and the Executive team.

The maximum remuneration of Non-Executive Directors is to be determined by Shareholders in general meeting in accordance with the Constitution, the corporations Act and the ASX Listing Rules as applicable. At present, the maximum aggregate remuneration of Non-Executive Directors is \$250,000 per annum. The Non-Executive Directors have a choice in relation to the manner in which they receive their respective remuneration, which may include an allocation to superannuation contributions. The apportionment of Non-Executive Director remuneration within that maximum will be made by the Board having regard to the contributions by each Non-Executive Director. Each Director abstains from being involved in determining their own remuneration whilst the Board performs the functions of the Remuneration Committee. Remuneration is not linked to specific performance criteria or to the performance of the Group.

No remuneration consultants were used during the year. The Board assesses the appropriateness of the nature and amount of the emoluments on a periodical basis by reference to employment market conditions and performance with the overall objective of ensuring maximum shareholder benefit from the retention of a high-quality board and executive team.

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## DIRECTORS' REPORT

### REMUNERATION REPORT (Audited)

The following table shows gross income, profits/(losses) and dividends for the last five years for the Group, as well as the share prices at the end of the respective financial years.

	2019	2018	2017	2016	2015
Revenue and other income	5,428,901	6,086,346	6,064,326	6,198,049	5,299,991
Net profit after tax	1,480,757	2,289,574	1,779,076	1,856,176	1,493,422
Share price at year end	0.70	0.71	0.74	0.62	0.65
Dividends paid (cents per share)	4.00	4.20	4.20	4.25	3.70

### Executive Services Agreement

#### Kim Chong

The Group has a Services Agreement with Mr Kim Chong that is effective for a period of three years from 1 June 2017. Under the Services Agreement, Mr Chong is engaged by the Group to provide services to the Group in the capacity of Managing Director and Chief Executive Officer.

Mr Chong is to be paid an annual remuneration of \$215,700 inclusive of statutory superannuation. The group may terminate Mr Chong at its sole discretion by giving 3 months written notice. Mr Chong will also be reimbursed for reasonable expenses incurred in carrying out his duties. From 1 February 2019, Mr Chong has taken a voluntary reduction in annual salary to the amount of \$15,000 per year. There was \$563 to be reimbursed to Mr Chong as at 30 June 2019.

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

### Table of Benefits and Payments for the Year Ended 30 June 2019

Key Management Personnel		Short – term benefits	Post-	Long – term benefits	Total
			employment benefit		
		Salary and fees	Super- annuation	Long service Leave	
Mr Kim Phin Chong	2019	\$183,475	\$17,706	-	\$201,181
	2018	\$231,392	\$19,496	\$3,844	\$254,732
Mr Simon Cato	2019	\$33,000	\$12,000	-	\$45,000
	2018	\$33,000	\$12,000	-	\$45,000
Mr Alan Winduss*	2019	\$27,000	-	-	\$27,000
	2018	\$27,000	-	-	\$27,000
Mr Alvin Tan**	2019	\$27,000	-	-	\$27,000
	2018	\$27,000	-	-	\$27,000
Total	2019	\$270,475	\$29,706	-	\$300,181
	2018	\$318,392	\$31,496	\$3,844	\$353,732

\*Director services are provided by Ragstar Pty Ltd, a company nominated by Mr. Alan Winduss.

\*\*Director services are provided by Ostle International Pty Ltd, a company nominated by Mr. Alvin Tan

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## DIRECTORS' REPORT

### REMUNERATION REPORT (Audited)

The Group did not receive a "no" vote of 25% or more at its 2018 Annual General Meeting in relation to the resolution relating to the remuneration report.

### KMP Shareholdings

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

30 June 2019	Balance at start of year	Issued during the year	Purchased/(sold) during the year	Balance at the end of the year
S. Cato	520,000	-	-	520,000
K. Chong	23,933,274	-	22,611	23,955,885
A. Tan	525,500	-	-	525,500
A. Winduss	225,000	-	-	225,000
	<u>25,203,774</u>	<u>-</u>	<u>22,611</u>	<u>25,226,385</u>

### KMP Related Party Transactions and Loans

Transactions between parties related to KMP and the Group are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### Commercial Services Agreement

#### Winduss & Associates Pty Ltd

The Group receives accounting and secretarial services from Winduss & Associates, an accounting practice of which Mr Winduss is a director and shareholder. Fees charged are at normal commercial rates and conditions. Fees charged to 30 June 2019 for accounting and secretarial services, was \$58,740 including GST (2018: \$59,590). The amount owing to Winduss & Associates Pty Ltd at 30 June 2019 is \$8,250 (2018: \$9,900).

### Tenancy Agreement

#### Cherry Field Pty Ltd

The Group operates its business from premises owned by Cherry Field Pty Ltd. On 1 April 2014, the Group entered into a lease agreement with Cherry Field Pty Ltd, a Company owned and controlled by an associate of Mr Chong. The Group has incurred \$184,680 including GST for the year ended 30 June 2019 (2018: \$176,854) with no amount outstanding at 30 June 2019 (2018: nil).

Other than the above and the balance of \$563 owed to Kim, there are no other transactions or loans outstanding at 30 June 2019.

### END OF REMUNERATION REPORT (AUDITED)

## **DIRECTORS' REPORT**

### **Proceedings on Behalf of Group**

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

### **Non-Audit Services**

Details of non-audit services provided by the Group's auditors during the years ended 30 June 2019 and 30 June 2018 can be found in Note 5 of the financial statements.

The board has considered the non-audit services provided to the group and have determined that the services were compatible with the general standard of independence required of its auditors. The non-audit services were to conduct an additional engagement by undertaking a reasonable assurance engagement on the design of controls within the Group's registry services designated by the ASX Settlement Operating rule 5.23.1. This additional assurance service required the auditors to maintain their independence with respect to the Group, and as such, did not impinge on their independence when conducting their audit of the financial statements.

### **Rounding of Amounts**

In accordance with ASIC Corporations (*Rounding in Financial/Directors' Reports*) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

### **Auditor's Independence Declaration**

The auditor's independence declaration for period ending 30 June 2019 has been given and can be found on page 12 of this report.

Signed in accordance with a resolution of the Board of Directors



Simon Cato  
Chairman of Directors

Signed at Perth on 23 September 2019

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF ADVANCED SHARE REGISTRY LIMITED**

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of Advanced Share Registry Limited and the entities it controlled during the year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, 23 September 2019

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
Revenue from contracts with customers	2	5,261,143	5,923,204
Other income	2	167,758	163,142
Gain on revaluation of investment property		-	750,000
Occupancy expenses	3	(252,878)	(254,285)
Administrative expenses	3	(1,868,999)	(1,846,646)
Other operating expenses	3	(1,169,972)	(1,323,328)
Depreciation and amortisation expenses	3	(87,284)	(191,200)
Impairment of goodwill		(559)	(17,232)
Profit before income tax		2,049,209	3,203,655
Income tax expense	4	(568,452)	(914,081)
<b>Profit after income tax</b>		<b>1,480,757</b>	<b>2,289,574</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of owner-occupied property to equity		-	467,356
Deferred income tax expense		-	(128,523)
<b>Other comprehensive income, net of tax</b>		<b>-</b>	<b>338,833</b>
<b>Total comprehensive income for the year</b>		<b>1,480,757</b>	<b>2,628,407</b>
<b>Profit attributable to:</b>			
Owners of the parent		1,485,552	2,290,409
Non-controlling interests		(4,795)	(835)
		<b>1,480,757</b>	<b>2,289,574</b>
<b>Comprehensive income attributable to:</b>			
Owners of the parent		1,485,552	2,629,242
Non-controlling interests		(4,795)	(835)
		<b>1,480,757</b>	<b>2,628,407</b>
Basic earnings per share (cents per share)	27	3.46	5.36
Diluted earnings per share (cents per share)	27	3.46	5.36

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

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	3,938,283	4,272,261
Trade and other receivables	7	936,305	853,891
Other financial assets	8	-	741
Other current assets	9	27,983	31,379
<b>Total Current Assets</b>		4,902,571	5,158,272
<b>Non-current Assets</b>			
Property, plant and equipment	10	1,017,076	1,096,699
Investment property	11	2,150,000	2,150,000
Intangible assets	12	1,115,594	1,082,870
Deferred tax assets	13	193,372	188,577
<b>Total Non-current Assets</b>		4,476,042	4,518,146
<b>TOTAL ASSETS</b>		9,378,613	9,676,418
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	14	345,231	326,834
Current tax liabilities	13	77,295	155,790
Provisions	15	373,379	347,450
<b>Total Current Liabilities</b>		795,905	830,074
<b>Non-current Liabilities</b>			
Provisions	15	9,091	6,544
Deferred tax liabilities	13	476,581	480,534
<b>Total Non-current Liabilities</b>		485,672	487,078
<b>TOTAL LIABILITIES</b>		1,281,577	1,317,152
<b>NET ASSETS</b>		8,097,036	8,359,266
<b>EQUITY</b>			
Issued capital	16	6,034,140	6,034,140
Retained earnings		1,448,444	1,715,499
Reserves	18	600,516	593,102
<b>Total parent entity interest in equity</b>		8,083,100	8,342,741
<b>Total non-controlling interest</b>		13,936	16,525
<b>TOTAL EQUITY</b>		8,097,036	8,359,266

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



**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

	Issued Capital \$	Retained Earnings \$	Employee Rights Reserve \$	Asset Revaluation Reserve \$	Total	Non- controlling Interest \$	Total Equity \$
<b>Balance at 1 July 2017</b>	6,034,140	1,220,444	-	253,030	7,507,614	-	7,507,614
Profit after income tax	-	2,290,409	-	-	2,290,409	(835)	2,289,574
Other comprehensive income	-	-	-	338,833	338,833	-	338,833
<b>Total comprehensive income</b>	-	2,290,409	-	338,833	2,629,242	(835)	2,628,407
<b>Transactions with owners</b>							
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	17,360	17,360
Dividends paid in cash	-	(1,795,354)	-	-	(1,795,354)	-	(1,795,354)
Employee performance rights	-	-	1,239	-	1,239	-	1,239
<b>Total Transactions with owners</b>	-	(1,795,354)	1,239	-	(1,794,115)	17,360	(1,776,755)
<b>Balance at 30 June 2018</b>	6,034,140	1,715,499	1,239	591,863	8,342,741	16,525	8,359,266
Profit after income tax	-	1,485,552	-	-	1,485,552	(4,795)	1,480,757
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	1,485,552	-	-	1,485,552	(4,795)	1,480,757
<b>Transactions with owners</b>							
Non-controlling interest on acquisition of subsidiary (Note 31)	-	-	-	-	-	2,206	2,206
Dividends paid in cash	-	(1,752,607)	-	-	(1,752,607)	-	(1,752,607)
Employee performance rights	-	-	7,414	-	7,414	-	7,414
<b>Total Transactions with owners</b>	-	(1,752,607)	7,414	-	(1,745,193)	2,206	(1,742,987)
<b>Balance at 30 June 2019</b>	6,034,140	1,448,444	8,653	591,863	8,083,100	13,936	8,097,036

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

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		5,882,383	6,460,010
Payments to suppliers and employees		(3,830,075)	(3,775,695)
Interest received		78,567	84,404
Income tax paid		(655,695)	(669,680)
<b>Net cash flows provided by operating activities</b>	19	<u>1,475,180</u>	<u>2,099,039</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(16,032)	(64,948)
Payments for purchase of intangibles		(44,150)	-
Net cash inflow on acquisition of subsidiary	31	1,648	128
<b>Net cash flows used in investing activities</b>		<u>(58,534)</u>	<u>(64,820)</u>
<b>Cash flows from financing activities</b>			
Dividends paid		(1,750,624)	(1,795,148)
<b>Net cash flows used in financing activities</b>		<u>(1,750,624)</u>	<u>(1,795,148)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(333,978)	239,071
<b>Cash and cash equivalents at the beginning of the year</b>		4,272,261	4,033,190
<b>Cash and cash equivalents at the end of the year</b>	6	<u>3,938,283</u>	<u>4,272,261</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1: Summary of Significant Accounting Policies**

This financial report includes the financial statements and notes of Advanced Share Registry Limited ('Company') and its Controlled Entities ("Group").

**Basis of Preparation**

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

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

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

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

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

**a. Income Tax**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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 reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

**b. Property, Plant and Equipment**

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

Freehold land and buildings, including owner-occupied property are carried at fair value using the revaluation method permitted by the accounting standards. Freehold land and buildings that are part of property, plant and equipment will be carried at its revalued amount, being the fair value at the date of revaluation, less any subsequent depreciation or impairment losses. Revaluations are to be made at regular intervals to ensure that the carrying amount does not differ materially from the amount that would be the fair value at the end of the reporting period.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

**Depreciation**

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

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Leasehold improvements	2.5%
Plant and Equipment	10-66%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

**c. Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement to reflect the risks and benefits incidental to ownership.

*Operating leases*

The minimum lease payments of operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**d. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB15 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

### *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, inter Group receivables and loan to parent Group included under receivables.

### **Financial Liabilities**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other creditors and inter Group payables to related parties.

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

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

### **Impairment of Financial Assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. In accordance with the matrix noted above, a financial asset in default will be assessed for impairment which may result in the defaulted amount being recorded as impaired or being considered recoverable and not being impaired. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;

and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### **e. Impairment of Non-Financial Assets**

At each reporting date, the Group reviews the carrying values of its non-financial tangible assets to determine whether there is any indication that those assets have been impaired. If such an



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The Group has determined that there was no impairment of non-financial assets during the current year.

**f. Intangibles**

**Goodwill**

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note (I) below on "Business Combinations" for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses.

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

**Client Book**

The client book was acquired at independent valuation as part of the acquisition of the share registry business. The valuation was based upon the expected future earnings of the client contracts already in existence at the time of the transfer of the business and included in the financial statements at cost at that time. The effective life of the client book had been determined to be 10 years and was amortised over that period. The client book has reached the end of its effective life and was fully amortised at 31 December 2017.

**Other Intangibles**

Other intangibles, which are initially recognised at cost once they have met the criteria for recognition as an asset, include website expenditure which is amortised over the anticipated effective life of the site once operational. Future expenditure on maintenance of the website is expensed as incurred except where the website undergoes a significant redevelopment.

**g. Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on high quality corporate bonds terms to maturity that match the expected timing of cash flows attributable to employee benefits.

**Equity-settled Compensation**

The Group operates an employee incentive plan that provides employees with performance rights that may be converted to share at a future date. The performance rights are share-based payments. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The corresponding amount is recorded to the employee rights reserve. The fair value of performance rights is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The performance rights under the Group's current incentive plan are based on direct employee KPIs and do not include market conditions.

**h. Provisions**

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

**i. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of generally three months or less, including term deposits which have maturities of over three months which can be accessed within three months, and bank overdrafts.

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

**j. Revenue and Other Income**

The Group is in the business of providing share registry and other corporate services to a range of listed clients. Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The disclosure of significant estimates and judgements relating to revenue from contracts with customers are set out in the 'Changes to Critical Accounting Estimates and Judgements' note below.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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

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

**k. Goods and Services Tax (GST)**

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

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

**l. Business Combinations**

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

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

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

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

**m. Rounding of Amounts**

The Company and the Group have applied the relief available under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest dollar.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### n. Critical Accounting Estimates and Judgments

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

#### **Revenue from Contracts with Customers**

The Group has applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts from customers:

##### *Identifying performance obligations in a bundled sale of registry and corporate services*

The Group provides corporate services which are either sold separately or bundled together with the sale of registrar services to a customer. The corporate services and registrar services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

The Group has determined that both the registrar and corporate services are capable of being distinct and that the promises contained in service agreements for each service are distinct within the context of the contract.

The Group recognises revenue from customers over the time the work is completed for each distinct service provided. Ongoing services are recognised on a monthly basis as the services are provided pursuant to the agreement with the customer for the transactions associated with providing share registrar services during that month. Corporate services are recognised during the month in which the service is performed. In the rare circumstances where a transaction is conducted over a period of several months, the Group will undertake a reasonable estimate of the percentage of completion of the work to recognise that proportion of the revenue due to be received under the contract.

#### **Impairment – General**

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

##### *Key Estimates – Impairment of goodwill and intangibles with indefinite useful lives*

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

of goodwill for the year ended 30 June 2019 other than the full impairment of goodwill arising on the acquisition of the subsidiary at Note 31. The assumptions used in the estimation of recoverable amount are disclosed in Note 12.

*Key Estimates – Impairment of non-financial assets other than goodwill and indefinite life intangibles*

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the consolidated entity. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment and future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined. The recoverable amount of goodwill cannot be assessed without assessing the recoverable amount of the cash generating unit. Non-financial assets have been assessed in current year and no impairment has been recognised.

**Key Estimates – Revaluation of Property, Plant and Equipment and Investment Properties**

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures owner occupied property with changes in fair value being recognised in OCI. The Group engaged an independent valuation specialist to assess the fair value as at 30 June 2018 for investment properties and as at 30 June 2018 for owner occupied property. The Board has considered other empirical evidence provided to it in relation to the market in which the properties are held as at 30 June 2019 and has determined that the fair value has not moved sufficiently to warrant recognition of any further revaluation for the current year. The Board engages in reviewing the properties' values at each reporting period to monitor movements in fair value, and where they determine the value has departed from the property's recorded value, they will seek to confirm value by engaging an independent valuer at that time.

For investment properties and owner-occupied properties, they were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The key assumption used to determine the fair value of the investment properties are provided in Note 25.

**Key Estimates – Share Based Payments**

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods associated with the employee incentive plan. The fair value is calculated using the Black-Scholes pricing model, which requires estimates associated with the volatility of the underlying share price for the option or performance right being issued and the risk free interest rate.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Share-based payments to non-employees are measured at the fair value of goods or services received, or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

**Key Judgments – Provision for Expected Credit Losses on Trade Receivables**

The Group groups its client base into clients of similar credit risk to calculate expected credit losses for trade receivables. The provision rates used are based on past days for groupings of customers with similar loss patterns. The provision applied is initially based on the Group's historical observed default rates for each customer grouping. Where forward-looking information (such as a significant change in economic conditions and the junior listed sector) may provide evidence that there may be an increasing number of defaults, historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

**Key Judgements – Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and carry forward tax losses can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in the tax jurisdiction.

**Key Judgements – Assessment of Control of Companies not Wholly Owned**

The Group assesses its control over companies in which it has invested by reviewing the holding of ordinary shares, the control of votes at a meeting of shareholders and the composition of the board of directors of the investee company. The Group presently contains two subsidiaries in which the Company holds 51% of the ordinary shares and voting rights, and at any meeting of shareholders, the Company will be entitled to exercise the majority of the votes cast at that meeting. The boards of the subsidiaries contain a majority of directors appointed by the Company. The Company has determined that it exercises control over the companies and, as such, has consolidated those entities within the Group.

**o. Principles of Consolidation**

The consolidated financial statements incorporate all the assets, liabilities and results of the Company and all its subsidiaries (including any structured entities). Subsidiaries are entities the Company controls. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 30.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

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

**p. Investment Property**

Investment property, comprising freehold office space, is held to generate rental yields. All tenant leases are on arm’s length basis. Investment property is measured on the revaluation basis as permitted by the accounting standards. The fair value of the property is determined at reporting date and is determined by assessing the factors that market participants would use when pricing the investment property under current market conditions. Depreciation is not calculated for investment property recognised at fair value.

**q. Segment Reporting**

The Group has two operating segments: share registrar services and management of investment property. In identifying its operating segments, management generally follows the Group’s service lines, which represent the main products and services provided by the Group. 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 two business segments.

The measurement policies the Group uses for segment reporting under AASB 8 are the same as those used in its financial statements, except for:

- post-employment benefit expenses
- expenses relating to share-based payments
- research costs relating to new business activities; and
- revenue, costs and fair value gains from investment property

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

### **New and Revised Accounting Standards that are Effective for these Financial Statements**

A number of new and amended accounting standards are effective for the current reporting period.

#### *AASB 9: Financial Instruments*

AASB 9 supersedes pronouncement AASB 139 'Financial Instruments: Recognition and Measurement' and was adopted by the Group effective 1 July 2018. The standard brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment; and hedge accounting.

With the exception of hedge accounting which has no application to the Group so it will apply prospectively should it enter into any such arrangements, the Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018.

At the date of initial application, the Group concluded to:

- Classify eligible equity instruments as financial assets at fair value through profit and loss; and
- Apply the simplified approach for trade receivables in the calculation of the expected credit loss (ECL) rather than the general approach.

As a result of the adoption of the above, as at the date of initial application, there is no material impact on the transactions and balances recognised in the financial statements.

#### *AASB 15: Revenue from Contracts with Customers*

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires the Group to exercise judgement, taking into account all the relevant facts and circumstances when applying each step of the model to contracts with customers.

The Group adopted AASB 15 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient, however the impact on the current period is immaterial. The Group did not apply any of the other available optional practical expedients.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

At the initial date of application, the effect of adopting AASB 15 did not have a material impact on the transactions and balances recognised in the financial statements.

### **New Accounting Standards for Application in Future Periods**

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

*AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019)*

AASB 16 will replace AASB 117: Leases and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
  - investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or
  - property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, under AASB 16 a lessor would continue to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset and would account for each type of lease in a manner consistent with the current approach under AASB 117.

When this standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

*AASB 2018-1: Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle (applicable for annual reporting periods beginning on or after 1 January 2019).*

AASB 2018-1 amends:

AASB 3: Business Combinations to clarify that an entity remeasures its previously held interest in a joint operation when it obtains control of the business;

AASB 11: Joint Arrangements to clarify that an entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business;

AASB 112: Income Taxes to clarify that an entity accounts for all income tax consequences of dividend payments according to where the entity originally recognised the past transactions or events that generated the distributable profits; and

AASB 123: Borrowing Costs to clarify that an entity treats any borrowing originally made to develop a qualifying asset as part of general borrowings when the asset is ready for its intended use or sale.

This Standard is not expected to significantly impact the Group's financial statements.

*AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business (applicable for annual reporting periods beginning on or after 1 January 2020).*

AASB 2018-6 amends AASB 3: Business Combinations to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments:

- (a) clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- (b) remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs;
- (c) add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- (d) narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and
- (e) add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

This Standard is not expected to significantly impact the Group's financial statements.

*AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material (applicable for annual reporting periods beginning on or after 1 January 2020).*

AASB 2018-7 principally amends AASB 101: Presentation of Financial Statements and AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

This Standard is not expected to significantly impact the Group's financial statements.

*AASB Interpretation 23: Uncertainty over Income Tax Treatments (applicable for annual reporting periods commencing on or after 1 January 2019).*

Interpretation 23 clarifies how an entity should apply the recognition and measurement requirements in AASB 112: Income Taxes when there is uncertainty over income tax treatments. To this end, Interpretation 23 requires:

- an entity to consider whether each uncertain tax treatment should be considered separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty;
- in assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, assume that the taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations;
- if the entity concludes that it is probable that the taxation authority will accept the uncertain tax treatment, the entity will determine current tax and deferred tax consistently with the treatment used or planned to be used in its income tax filings;
- if the entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in the determination of current tax and deferred tax, based on either the 'most likely' amount or the 'probability-weighted' amount of tax (depending on which method the entity expects to better predict the resolution of the uncertainty); and
- an entity to reassess a judgement or estimate required under Interpretation 23 if the facts and circumstances on which the judgement or estimate was based change or as a result of new information that affects the judgement or estimate.

This Interpretation is not expected to significantly impact the Group's financial statements.

**Note 2: Revenue from Contracts with Customers and Other Income**

	2019	2018
	\$	\$
<b>Revenue</b>		
Registry fees	3,966,890	4,560,772
Client disbursements recovered	1,294,253	1,362,432
Total Revenue	5,261,143	5,923,204

Revenue from contracts with customers is generated wholly within the geographical region of Australia and is recognised over the period of time the service is provided to the customer.

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Other income</b>		
Rental income	78,373	75,655
Interest received	86,139	80,743
Other income	3,246	6,744
	<u>167,758</u>	<u>163,142</u>

**Note 3: Profit**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Expenses</b>		
<b>Occupancy expenses</b>	252,878	254,285
<b>Administrative expenses</b>		
Professional fees	33,974	36,475
Director fees	87,000	87,000
Salaries and wages	1,372,279	1,415,268
Superannuation	141,350	142,765
Other	234,396	165,138
<b>Total Administrative expenses</b>	<u>1,868,999</u>	<u>1,846,646</u>
<b>Other operating expenses</b>		
Postage, printing and stationery	1,139,106	1,066,904
Other	30,866	256,424
<b>Total Other operating expenses</b>	<u>1,169,972</u>	<u>1,323,328</u>
<b>Depreciation and amortisation expenses</b>		
Depreciation of non-current assets	87,284	91,094
Amortisation of non-current, client book	-	100,106
<b>Total Depreciation and amortisation expenses</b>	<u>87,284</u>	<u>191,200</u>
<b>Impairment of goodwill</b>	559	17,232
<b>Total Expenses</b>	<u><u>3,379,692</u></u>	<u><u>3,632,691</u></u>

**Note 4: Income Tax**

	<b>2019</b>	<b>2018</b>
	\$	\$
a. The components of tax expense comprise:		
Current tax	577,201	755,449
Deferred tax	(8,749)	161,252
Building depreciation Pitt Street	-	(2,620)
	<u>568,452</u>	<u>914,081</u>

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
b. Numerical reconciliation between aggregate tax expense recognised in the statement of profit and loss and other comprehensive income and tax expense calculated per the statutory income tax rate: A reconciliation between tax expense and the product of accounting profit before income tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows: Total accounting profit before income tax at the Group's Statutory income tax rate of 27.5%	566,259	881,005
Non-deductible amortisation	-	27,529
Non-deductible impairment of goodwill	154	4,739
Other non-allowable items	2,039	339
Deferred tax not recognised on tax losses	-	469
Aggregate income tax expense	<u>568,452</u>	<u>914,081</u>
 The applicable weighted average effective tax rate is:	 27.74%	 28.83%

**Note 5: Auditor's Remuneration**

	<b>2019</b>	<b>2018</b>
	\$	\$
Remuneration of the auditor of the Group paid to Grant Thornton Audit Pty Ltd for: audit of financial report	 -	 13,455
	<u>-</u>	<u>13,455</u>
Remuneration of the auditor of the Group paid or payable to Pitcher Partners BA&A Pty Ltd for: audit and review of the financial report audit of Share Registry Function for ASX requirements	 30,974 3,000	 20,000 3,020
	<u>33,974</u>	<u>23,020</u>
Total auditor's remuneration	<u>33,974</u>	<u>36,475</u>

**Note 6: Cash and Cash Equivalents**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Current</b> Cash at bank and on hand	 838,283	 1,172,261
Cash on deposit	3,100,000	3,100,000
	<u>3,938,283</u>	<u>4,272,261</u>

The effective interest rate on short-term bank deposits was 1.44%; these deposits have a maturity of 120 days and 180 days. (2018: 1.95%)

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 7: Trade and Other Receivables**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Current</b>		
Trade receivables	1,073,296	1,080,360
Provision for expected credit losses of trade receivables	(174,840)	(233,464)
	898,456	846,896
Other receivables	37,849	6,995
	936,305	853,891

**Provision for expected credit losses of trade receivables**

Current trade and term receivables are non-interest-bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for expected credit losses is recognised in accordance with Note 1 (o) *Critical Accounting Estimates and Judgments*. These amounts have been included in the other operating expenses item.

Movement in the provision for expected credit losses of trade receivables is as follows

	<b>Current trade receivables</b>
	\$
<b>Opening Balance as at 1 July 2017</b>	85,104
Charge for the year	230,038
Amounts recovered and reversed	(1,029)
Amounts written off	(80,649)
<b>Closing Balance as at 30 June 2018</b>	233,464
<b>Opening Balance as at 1 July 2018</b>	233,464
Charge for the year	135,959
Amounts recovered and reversed	(194,583)
Amounts written off	-
<b>Closing Balance as at 30 June 2019</b>	174,840

**Credit Risk – Trade and Other Receivables**

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

The following table details the Group’s trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as ‘past due’ when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

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

	<b>Past Due but Not Impaired (Days Overdue)</b>						<b>Within Initial Trade Terms</b>
	<b>Gross Amount</b>	<b>Past Due and Impaired</b>	<b>&lt; 30</b>	<b>31- 60</b>	<b>61 – 90</b>	<b>&gt; 90</b>	
<b>2019</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and term receivables	1,073,296	174,840	-	37,520	25,442	89,586	745,908
Other receivables	37,849	-	-	-	-	-	37,849
<b>Total</b>	<b>1,111,145</b>	<b>174,840</b>	<b>-</b>	<b>37,520</b>	<b>25,442</b>	<b>89,586</b>	<b>783,757</b>
<b>2018</b>							
Trade and term receivables	1,080,360	233,464	-	41,500	11,965	110,054	683,377
Other receivables	6,995	-	-	-	-	-	6,995
<b>Total</b>	<b>1,087,355</b>	<b>233,464</b>	<b>-</b>	<b>41,500</b>	<b>11,965</b>	<b>110,054</b>	<b>690,372</b>

### Note 8: Other Financial Assets

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Financial assets at fair value through profit or loss	-	741
	-	741
<b>Financial assets at fair value through profit or loss:</b>		
Held-for-trading Australian listed shares	-	741

Shares held for trading are traded for the purpose of short-term profit taking. Changes in fair value are included in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 9: Other Assets**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Current</b>		
Prepayments	27,983	31,379

**Note 10: Property, Plant and Equipment**

	<b>2019</b>	<b>2018</b>
	\$	\$
Freehold land & Buildings – at fair value	825,000	825,000
Accumulated depreciation	(21,943)	-
	803,057	825,000
Leasehold improvements – at cost	43,000	56,266
Accumulated depreciation	(7,858)	(14,953)
	35,142	41,313
Plant and equipment – at cost	599,789	873,426
Accumulated depreciation	(420,912)	(643,040)
	178,877	230,386
Total property, plant and equipment	1,017,076	1,096,699

**a. Movements in Carrying Amounts**

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

	<b>Buildings</b>	<b>Leasehold</b>	<b>Plant and</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at 1 July 2017	367,164	42,083	275,417	684,664
Additions	-	-	64,953	64,953
Depreciation expense	(9,520)	(770)	(80,804)	(91,094)
Transfer to Intangible assets	-	-	(29,180)	(29,180)
Revaluation	467,356	-	-	467,356
<b>Balance at 30 June 2018</b>	825,000	41,313	230,386	1,096,699
Additions	-	-	16,033	16,033
Depreciation expense	(21,943)	(1,191)	(53,416)	(76,550)
Assets written off	-	(4,980)	(14,126)	(19,106)
<b>Balance at 30 June 2019</b>	803,057	35,142	178,877	1,017,076



**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 11: Investment Property**

	<b>2019</b>	<b>2018</b>
	\$	\$
Balance at beginning of year	2,150,000	1,400,000
Revaluation	-	750,000
Balance at end of year	<u>2,150,000</u>	<u>2,150,000</u>

The Group holds property at 6/225 Clarence Street, Sydney as a rental investment. The property has been leased out on operating lease to a third party. The rental income amounts to \$78,373 (2018: \$75,655) reported under rental income. Direct operating expenses of \$20,869 (2018: \$24,101) were reported within other operating expenses.

The lease contract is a non-cancellable lease with a 5-year term with rent receivable monthly. Future minimum lease rentals are as follows:

	<b>2019</b>	<b>2018</b>
	\$	\$
No later than 12 months	99,487	45,210
Between 12 months and 5 years	397,973	-
	<u>497,461</u>	<u>45,210</u>

**Note 12: Intangible Assets**

	<b>2019</b>	<b>2018</b>
	\$	\$
Goodwill – at cost	1,070,922	1,053,690
Goodwill on acquisition of subsidiary	559	17,232
Accumulated impairment	(17,791)	(17,232)
Net carrying amount	<u>1,053,690</u>	<u>1,053,690</u>
Client book acquired – at cost	2,002,010	2,002,010
Accumulated amortisation	(2,002,010)	(2,002,010)
Net carrying amount	<u>-</u>	<u>-</u>
Other Intangibles – at cost	78,038	122,387
Accumulated amortisation	(16,134)	(93,207)
Net carrying amount	<u>61,904</u>	<u>29,180</u>
Total intangibles	<u>1,115,594</u>	<u>1,082,870</u>

The client book acquired is amortised over its effective life, determined to be 10 years. The client book has been fully amortised. (Refer Note 1f).

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### a. Movements in Carrying Amounts

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

	Goodwill	Client Book Acquired	Other Intangibles	Total
	\$	\$	\$	\$
Balance at 1 July 2017	1,053,690	100,106	-	1,153,796
Additions	17,132	-	-	17,132
Amortisation expense	-	(100,106)	-	(100,106)
Impairment expense	(17,132)	-	-	(17,132)
Transfer from Property, plant and equipment	-	-	29,180	29,180
<b>Balance at 30 June 2018</b>	<b>1,053,690</b>	<b>-</b>	<b>29,180</b>	<b>1,082,670</b>
Additions	559	-	44,125	44,684
Amortisation expense	-	-	(10,734)	(10,734)
Impairment expense	(559)	-	-	(559)
Assets written off	-	-	(667)	(667)
<b>Balance at 30 June 2019</b>	<b>1,053,690</b>	<b>-</b>	<b>61,904</b>	<b>1,115,594</b>

### Impairment Disclosures

Goodwill is allocated to cash generating units which are based on the Group's reporting segments:

#### Share registry

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

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

	Growth Rate		Discount Rate	
	2019	2018	2019	2018
Share registry	1.00%	2.00%	6.09%	6.87%

For the year ended 30 June 2019 and 2018, management has based the value-in-use calculations on the earnings before income tax, depreciation and amortisation (EBITDA) budgets for each reporting segment which have been based on the EBITDA achieved in the relevant year. EBITDA is the most sensitive variable to the value in use calculation. These budgets use an estimated growth rate to project revenue. The rate is determined by the Directors to be reasonable based on the present and anticipated market conditions applicable to the business. Costs are calculated taking into account historical gross

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

margins as well as estimated weighted average inflation rates over the periods which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment. If management's assumptions for the projected period as described were to be achieved and maintaining the steady growth rate of 1% as indicated, the recoverable amount would exceed the carrying amount. No reasonable fluctuation in discount or growth rates would cause the cash generating unit carrying amount to exceed its recoverable amount to require an adjustment for impairment.

Whilst Private Company Platform Pty Ltd and Sharetech Pty Ltd has been allocated to the share registry segment, the goodwill on acquisition of the Group's interest in the subsidiary was separately considered at the time of acquiring the interest and determined that it should be fully impaired upon acquisition due to the early stage of the systems underlying the business that the subsidiary will be conducting.

### Note 13: Tax

	2019	2018	
	\$	\$	
<b>Current</b>			
Income tax payable	77,295	155,790	
<b>Non-Current</b>			
	<b>Opening Balance \$</b>	<b>Charged to profit and loss \$</b>	<b>Charged to Equity \$</b>
			<b>Closing Balance \$</b>
<b>Deferred Tax Liability</b>			
Accrued Income	1,562	(1,007)	555
Revaluation of property in equity	55,323	-	177,479
Revaluation of property in profit	96,250	206,250	302,500
<b>Balance at 30 June 2018</b>	153,135	205,243	480,534
Accrued Income	555	2,081	2,636
Accumulated Depreciation Pitt St	-	(6,034)	(6,034)
Revaluation of property in equity	177,479	-	177,479
Revaluation of property in profit	302,500	-	302,500
<b>Balance at 30 June 2019</b>	480,534	(3,953)	476,581

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Opening Balance \$</b>	<b>Charged to profit and loss \$</b>	<b>Charged to Equity \$</b>	<b>Closing Balance \$</b>
<b>Deferred Tax Assets</b>				
Provisions and Accrued expenses	144,585	43,993	-	188,578
Property, plant and equipment	3,748	2,618	(6,366)	-
<b>Balance at 30 June 2018</b>	<b>148,333</b>	<b>46,611</b>	<b>(6,366)</b>	<b>188,578</b>
Provisions and Accrued expenses	188,578	4,794	-	4,794
Property, plant and equipment	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>188,578</b>	<b>4,794</b>	<b>-</b>	<b>193,372</b>

	<b>2019 \$</b>	<b>2018 \$</b>
Deferred income tax at 30 June relates to the following:		
<i>i) Deferred tax liabilities</i>		
Accrued income	2,636	555
Depreciation adjustment from revaluation of property	(6,034)	-
Revaluation of property in profit	302,500	302,500
Revaluation of property in equity	177,479	177,479
Net deferred tax liabilities	<b>476,581</b>	<b>480,534</b>
<i>ii) Deferred tax assets</i>		
Superannuation liability	10,296	10,300
Accruals	36,803	23,175
Provisions:		
Doubtful debts	48,081	64,203
Long service leave	32,101	29,806
Annual leave	66,091	61,094
Net deferred tax assets	<b>193,372</b>	<b>188,578</b>

The Group has unused tax losses of \$12,817 giving rise to a deferred tax asset of \$3,525 which has not been recognised due to uncertainty of the subsidiaries in which the losses have been made being able to utilise those losses against future taxable income.

**Note 14: Trade and other payables**

	<b>2019 \$</b>	<b>2018 \$</b>
<b>Current</b>		
Trade creditors and accruals	345,231	326,834

The carrying amount of creditors and accruals has been considered and approximates fair value.

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 15: Provisions**

	<b>Employee Benefits \$</b>	<b>Provision for Dividend \$</b>	<b>Total \$</b>
Opening balance at 1 July 2018	330,546	23,448	353,994
Additional provisions	32,571	1,962	34,533
Amounts used	(6,057)	-	(6,057)
<b>Balance at 30 June 2019</b>	<b>357,060</b>	<b>25,410</b>	<b>382,470</b>

**Analysis of total provisions**

	<b>2019 \$</b>	<b>2018 \$</b>
<b>Current liabilities - provisions</b>		
Annual leave	240,331	222,160
Provision for dividend	25,410	23,448
Long service leave	107,638	101,842
	<u>373,379</u>	<u>347,450</u>
<b>Non-current liabilities - provisions</b>		
Long service leave	<u>9,091</u>	<u>6,544</u>

**Note 16: Issued Capital**

	<b>2019</b>	<b>2018</b>
42,746,500 (2018: 42,746,500) fully paid ordinary shares)	\$6,034,140	\$6,034,140
	<b>No.</b>	<b>No.</b>
<b>a. Ordinary Shares</b>		
At the beginning of the reporting period	42,746,500	42,746,500
At reporting date	<u>42,746,500</u>	<u>42,746,500</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**b. Capital Management**

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

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

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since listing on 10 June 2008.

**Note 17: Share-based Payments**

*Employee Performance Rights granted to eligible employees*

Under the Group's Employee Performance Rights and Share Plan ("the Plan"), eligible employees are offered Performance Rights which contain performance and other conditions that must be met by employees to qualify for the possible issue of shares on the vesting of those Performance Rights. Employees who satisfy the conditions for vesting the Performance Rights may apply to convert those rights to Shares of the Group. The Performance Rights are personal to the employee, are not able to be transferred, and do not confer any right or entitlement in relation to dividends or other entitlements that would normally be conferred on shareholders.

<b>Grant Date</b>	<b>Number</b>	<b>Vesting Date</b>
1 May 2018	27,000	30 April 2020

On 1 May 2018, the Group granted performance rights to eligible employees. The performance rights vest to the employees on the dates indicated upon their satisfactory completion of the required performance targets, at which time the employee can apply to convert the rights to ordinary shares for nil consideration. The performance rights hold no voting or dividend rights and are not transferable. No performance rights were granted to key management personnel.

Performance rights are expensed over the expected vesting period based on the anticipated number of shares to be issued and are valued using the Black Scholes methodology.

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

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

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Number</b>	<b>Weighted Average Exercise Price</b>
<b>Performance rights outstanding as at 1 July 2018</b>	27,000	\$0
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
<b>Performance rights outstanding as at 30 June 2019</b>	27,000	\$0

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

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

The fair value of the rights granted to employees is deemed to represent the value of the employee services received over the vesting period.

Weighted average exercise price:	Nil
Weighted average life of the rights:	2 years
Expected share price volatility:	31.93%
Dividend Yield:	5.10%
Risk- free interest rate:	2.75%
Calculated fair value of each right:	\$0.68491

The life of the rights is based on the historical exercise patterns, which may not eventuate in the future.

Included in profit or loss is \$7,414 which relates to the above equity instruments as they are expensed over the vesting period (2018: \$1,239).

**Note 18: Reserves**

**Asset Revaluation Reserve**

i. Nature and purpose of reserve: The buildings held as property, plant and equipment have been revalued and the movement has been recognised through reserves.

ii. Movement in reserve

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	591,863	253,030
Increase in fair value	-	338,833
	<u>591,863</u>	<u>591,863</u>

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### Employee Performance Rights Reserve

i. Nature and purpose of reserve: The employee performance rights reserve records items recognised as expenses on valuation of employee performance rights that will subsequently convert to equity on the issue of shares upon exercise of the rights when all conditions for granting the rights have been met.

ii. Movement in reserve

	2019	2018
	\$	\$
Balance at beginning of the year	1,239	1,239
Cost of share-based payments	7,414	-
	8,653	1,239

### Note 19: Cash flow information

	2019	2018
	\$	\$
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	1,480,757	2,289,574
Noncash flows in profit:		
Amortisation	-	100,106
Employee performance rights	7,414	1,239
(Increase)/decrease in fair value on investment property	-	(750,000)
Depreciation	87,284	91,094
Impairment	559	17,232
Loss on disposal of assets	20,437	-
	1,596,451	1,749,245
Changes in equity as a result of adjustments in reserves		
Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	(82,337)	53,920
(Increase)/decrease in prepayments	3,395	(1,939)
Increase/(decrease) in trade payables and accrual	18,401	35,649
Increase/(decrease) in income taxes payable	(78,495)	85,769
Decrease/(increase) in deferred tax assets	(4,795)	(40,244)
Increase/(decrease) in deferred tax liabilities	(3,953)	198,876
Increase/(decrease) in provisions	26,513	17,763
	1,475,180	2,099,039



# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### Note 20: Events after the Reporting Period

#### Proposed dividend

The Directors proposed that a dividend of 2.00 cents per share fully franked be paid out of the current year earnings. This dividend was declared on 29 August 2019 and \$854,930 was paid on 16 September 2019.

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

### Note 21: Capital and leasing commitments

#### Non-cancellable operating lease commitments

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

	2019	2018
	\$	\$
not later than 12 months	120,582	161,460
between 12 months and 5 years	-	122,632
later than 5 years	-	-
	<u>120,582</u>	<u>284,092</u>

The property lease is a non-cancellable lease with a 3-year term with rent payable monthly in advance. Contingent rental provisions within the lease agreement allow the minimum lease payments to be increased by CPI % per annum. The lease is currently extended until 31 March 2020.

### Note 22: Contingent Liabilities

The Group has no known or identifiable contingent liabilities.

### Note 23: Financial Instruments

#### Categories of Financial Instruments

	2019	2018
	\$	\$
<b>Financial assets</b>		
<i>Amortised cost</i>		
Cash and cash equivalents	3,938,283	4,272,261
Trade and other receivables	936,305	853,891
Financial assets at fair value through profit or loss	-	741
<b>Total financial assets</b>	<u>4,874,588</u>	<u>5,126,893</u>

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>Financial liabilities</b>		
<i>Amortised cost</i>		
Trade and other payables	211,138	242,294
<b>Total financial liabilities</b>	<u>211,138</u>	<u>242,294</u>

The carrying amounts of financial instruments measured at amortised cost are recognised as follows:

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

The carrying amounts of financial instruments measured at fair value is determined and described in Note 25 (a).

### Note 24: Financial Risk Management

#### a. General objectives, policies and processes

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

The principal financial instruments from which financial instrument risk arises:

- trade and other receivables
- cash at bank
- investments held for trading
- trade and other payables
- deposits
- loans receivable

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**b. Credit risk analysis**

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

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

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

*Credit risk exposures*

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

There are no material amounts of collateral held as security at 30 June 2019.

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

	<b>2019</b>	<b>2018</b>
	\$	\$
Trade and other receivables	936,305	853,891
Cash and cash equivalents	3,938,283	4,272,261

**c. Liquidity risk**

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments such as, for example, borrowing repayments. It is the policy of the Board that treasury maintains adequate committed credit facilities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

*Financial liability and financial asset maturity analysis*

	Within 1 Year		Total	
	2019 \$	2018 \$	2019 \$	2018 \$
<b>Financial liabilities due for payment</b>				
Trade and other payables	211,138	242,294	211,138	242,294
Total expected outflows	<u>211,138</u>	<u>242,294</u>	<u>211,138</u>	<u>242,294</u>
<b>Financial assets – cash flows realisable</b>				
Cash and cash equivalents	3,938,283	4,272,261	3,938,283	4,272,261
Trade and other receivables	936,305	853,891	936,305	853,891
Financial assets at fair value through profit and loss	-	741	-	741
Total anticipated inflows	<u>4,874,588</u>	<u>5,126,893</u>	<u>4,874,588</u>	<u>5,126,893</u>
<b>Net inflow on financial instruments</b>	<u>4,663,450</u>	<u>4,884,599</u>	<u>4,663,450</u>	<u>4,884,599</u>

**Financial arrangements**

Nil at balance date.

**d. Market risk**

*Interest rate risk*

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

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

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

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

	Effective Average Fixed Interest Rate Payable		Notional Principal	
	2019	2018	2019	2018
<b>Maturity of notional amounts:</b>				
Less than 1 year	1.44%	1.95%	\$4,874,588	\$5,126,349
	<u>1.44%</u>	<u>1.95%</u>	<u>\$4,874,588</u>	<u>\$5,126,349</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

As the Group expects to pay all trade and sundry payables in full in less than six months as it has no borrowings, the Group has no such exposure to interest rate risks associated with liabilities.

*Sensitivity Analysis*

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

*Interest Rate Risk*

	<b>2019</b>	<b>2018</b>
Change in profit	\$	\$
- Increase in interest rate by 1%	39,000	41,000
- Decrease in interest rate by 1%	(39,000)	(41,000)
 Change in equity		
- Increase in interest rate by 1%	39,000	41,000
- Decrease in interest rate by 1%	(39,000)	(41,000)

**Note 25: Fair Value**

Fair value measurement used in the statement of financial position is grouped into three levels of a fair value hierarchy. The three levels are based on the observability of significant inputs into the measurement as follows:

*Level 1* are quoted prices (unadjusted) in active markets for identical assets or liabilities

*Level 2* are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly

*Level 3* are unobservable inputs for the asset or liability

There have been no transfers between Level 1 and Level 2 during the financial year ended 30 June 2019.

**a. Financial Instruments Measured at Fair Value**

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

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using the fair value hierarchy described above.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**2019**

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

**2018**

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

**b. Non-Financial Instruments Measured at Fair Value**

The following table shows the levels within the hierarchy of non-financial assets measured at fair value in the statement of financial position.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>2019</b>				
<b>Property, plant and equipment</b>				
- Owner occupied office	-	-	825,000	825,000
<b>Investment property</b>				
- Office let to third party	-	-	2,150,000	2,150,000
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>2018</b>				
<b>Property, plant and equipment</b>				
- Owner occupied office	-	-	825,000	825,000
<b>Investment property</b>				
- Office let to third party	-	-	2,150,000	2,150,000

The fair value of the Group's property assets outlined above is based on appraisals performed by independent, professionally qualified valuers who have recent experience in the location and category of the property. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board at reporting date.

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The appraisals were carried out using a market approach, the direct comparison method, that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the properties in question, including size, location, encumbrances, amenities and current use. The properties were formally valued at 8 June 2018. The Board has considered other empirical evidence provided to it in relation to the market in which the properties are held as at 30 June 2019 and has determined that the fair value has not moved sufficiently to warrant recognition of any further revaluation for the current year. The empirical evidence suggests that the valuation of both properties at 30 June 2019 would be between \$13,500 and \$15,000 per square metre compared to values of \$13,306 and \$14,144 per square metre for each of the properties when valued in June 2018. The Board engages in reviewing the properties' values at each reporting period to monitor movements in fair value, and where they determine the value has departed from the property's recorded value, they will seek to confirm value by engaging an independent valuer at that time.

The significant unobservable input is the adjustment factors specific to the property. The extent and direction of this adjustment depends on the number and characteristics of observable transactions in the market for similar properties that are used as the starting point for valuation. Whilst the input requires subjective judgement, it is considered that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

Below table represents accumulated fair value movement in relation to Property, Plant and Equipment and Investment Property:

	<b>Property, Plant and Equipment</b>	<b>Investment Property</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2017</b>	-	658,353
<b>Total gains or losses for the period in profit or loss</b>		
Gain on revaluation of investment property	-	750,000
<b>Total gains or losses for the period in other comprehensive income</b>		
Revaluation of owner-occupied property	467,356	-
<b>Balance at 30 June 2018</b>	<u>467,356</u>	<u>1,408,353</u>
<b>Balance at 30 June 2019</b>	<u>467,356</u>	<u>1,408,353</u>

Total amount included in profit or loss for unrealised gain on Level 3 assets for Property, Plant and Equipment for 2019: nil (2018: nil) and for Investment Property in 2019: nil (2018: \$750,000)

### Note 26: Related Party Disclosures

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### Commercial Services Agreement

#### Winduss & Associates Pty Ltd

The Group receives accounting and secretarial services from Winduss & Associates, an accounting practice of which Mr Winduss is a director and shareholder. Fees charged are at normal commercial rates and conditions. Fees charged to 30 June 2019 for accounting and secretarial services, was \$58,740 including GST (2018: \$59,590). The amount owing to Winduss & Associates Pty Ltd at 30 June 2019 is \$8,250 (2018: \$9,900).

### Tenancy Agreement

#### Cherry Field Pty Ltd

The Group required an additional area to assist in operations during the period. On 1 April 2014, the Group entered into a lease agreement with Cherry Field Pty Ltd, a Company owned and controlled by an associate of Mr Chong. The Group has incurred \$184,680 including GST for the year ended 30 June 2019 (2018: \$176,854) with no amount outstanding at 30 June 2019 (2018: nil).

### Note 27. Earnings per share

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Earnings used in the calculation of EPS</b>		
Profit	1,480,757	2,289,574
<b>Earnings per share</b>		
Basic earnings per share	3.46c	5.36c
Diluted earnings per share	3.46c	5.36c
	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	42,746,500	42,746,500
Weighted average number of dilutive rights outstanding	15,756	2,219
Weighted average number of ordinary shares used in calculating diluted EPS	<b>42,762,256</b>	<b>42,748,719</b>

### Note 28. Dividends

	<b>2019</b>	<b>2018</b>
	\$	\$
Distributions paid		
Final fully franked dividend of 2.10 cents (2018: 2.10 cents) per share franked at the tax rate of 27.5%	897,677	897,677
Interim dividend fully franked of 2.00 cents (2018: 2.10 cents) per share franked at the tax rate of 27.5%	854,930	897,677
	<b>1,752,607</b>	<b>1,795,354</b>



# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Final fully franked dividend of 2.00 cents declared subsequent to 30 June 2019 (2018: 2.10 cents) per share franked at the tax rate of 27.5%	854,930	897,677
Balance of franking account at year end adjusted for franking credits arising from:	1,446,731	1,534,312
Payment of provision for income tax		
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	<u>(324,284)</u>	<u>(340,498)</u>

### Note 29: Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2019.

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

	2019	2018
	\$	\$
Short -term employee benefits	270,475	318,392
Post-employment benefits	29,706	31,496
Long -term benefits	-	3,844
	<u>300,181</u>	<u>353,732</u>

### Note 30: Controlled Entities

Set out below are the Group's controlled entities at 30 June 2019. The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group and Non-controlling interests.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		2019	2018	2019	2018
Advanced Custodial Services Pty Ltd	Perth, Australia	100%	100%	-	-
Private Company Platform Pty Ltd	Perth, Australia	51%	51%	49%	49%
Sharetech Pty Ltd	Perth, Australia	51%	-	49%	-

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### Note 31: Acquisition of Controlled Entity

On 17 October 2018, the Group acquired 51% stake and control of Sharetech Pty Ltd (Sharetech) with the appointment of two directors to the board. The acquisition of Sharetech was to compliment the earlier acquisition of Private Company Platform Pty Ltd (PCP) where Sharetech is expected to assist the companies engaging PCP by facilitating access to investors.

The Group acquired 47,590 shares for a total cash consideration of \$2,855. Prior to the Group's acquisition, the only tangible asset of Sharetech was its own cash at bank of \$1,648. Payment of the consideration by the Group increased the cash at bank of Sharetech upon acquisition.

Whilst the Group determined that the systems that Sharetech had under development would form a valuable resource to the Group in future, it was considered that given the early stage of the development, the estimated fair value of the intellectual property acquired was nil. Accordingly, the Group's acquisition of Sharetech generated a goodwill component of \$559. The goodwill was immediately impaired resulting in a loss on consolidation of \$559 for the same reasons as not recognising the value of the intellectual property in the systems of Sharetech. No other assets or liabilities, contingent or otherwise, of Sharetech existed at the acquisition date.

A summary of the assets and net cash outflow arising from the acquisition of the interest in the subsidiary as at 17 October 2018 is as follows:

	2019
	\$
Cash and cash equivalents	4,503
Net assets acquired	4,503
Non-controlling interests	(2,207)
Goodwill	559
Total purchase consideration	2,855
Less Cash and cash equivalents acquired	(4,503)
Net cash (inflow) on acquisition during the year	(1,648)

Non-controlling interests were valued at \$2,207 being their respective share of the underlying net assets of Sharetech after the contribution of equity by the Group.

### Note 32: Parent Information

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

	2019	2018
	\$	\$
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Total profit	1,491,366	2,308,510
Total other comprehensive income, net of tax	-	338,833
<b>Total Comprehensive Income for the year</b>	<b>1,491,366</b>	<b>2,647,343</b>

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

<b>Statement of Financial Position</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
Current Assets	4,951,050	5,162,431
Non-current Assets	4,440,952	4,518,146
<b>TOTAL ASSETS</b>	<b>9,392,002</b>	<b>9,680,577</b>
<b>LIABILITIES</b>		
Current Liabilities	797,037	830,245
Non-current liabilities	485,672	487,078
<b>TOTAL LIABILITIES</b>	<b>1,282,709</b>	<b>1,317,323</b>
<b>EQUITY</b>		
Issued Capital	6,034,140	6,034,140
Retained earnings	2,075,153	2,329,114
<b>TOTAL EQUITY</b>	<b>8,109,293</b>	<b>8,363,254</b>

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

At 30 June 2019, the parent had not entered into any contractual commitments for the acquisition of property, plant and equipment (2018: Nil).

### **Note 33: 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 the two business segments of the Group.

### **Major customers**

The Group has a number of customers to whom it provides services. The Group has no single external customer that accounts for more than 10% of its income, a group of 9 customers, each exceeding 2% of the Group's income, accounts for approximately 28% (2018: 7 customers each exceeding 2% of the Group's income accounted for 32%) of the Group's income.

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Share Registry Services</b>	<b>Property Investment</b>		<b>Consolidated</b>	
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	\$	\$	\$	\$	\$
<b>Revenue</b>					
Sales to customers outside the Group	5,261,143	5,923,204	-	5,261,143	5,923,204
<b>Total Revenue</b>	<b>5,261,143</b>	<b>5,923,204</b>	<b>-</b>	<b>5,261,143</b>	<b>5,923,204</b>
Other income from customers outside the Group	3,246	6,744	78,373	81,619	82,399
Interest revenue	86,139	80,743	-	86,139	80,743
Depreciation and amortisation	(87,284)	(191,200)	-	(87,284)	(191,200)
Impairment loss	(559)	(17,232)	-	(559)	(17,232)
Increase in fair value of investment properties	-	-	750,000	-	750,000
<b>Segment net operating profit before tax</b>	<b>1,991,705</b>	<b>2,411,621</b>	<b>57,504</b>	<b>2,049,209</b>	<b>3,206,655</b>

**ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES**

ABN 14 127 175 946

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	Share Registry Services		Property Investment		Consolidated	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Segment Assets</b>	7,035,241	7,337,841	2,150,000	2,150,000	9,185,241	9,487,841
<b>Reconciliation of segment assets to total assets</b>						
Segment assets					9,185,241	9,487,841
Deferred tax assets					193,372	188,577
Total assets					<u>9,378,613</u>	<u>9,676,418</u>
<b>Segment Liabilities</b>	804,996	836,618	-	-	804,996	836,618
<b>Reconciliation of segments liabilities to total liabilities</b>						
Segment liabilities					804,996	836,618
Deferred tax liabilities					476,581	480,534
Total liabilities					<u>1,281,577</u>	<u>1,317,152</u>

**DIRECTORS' DECLARATION**

1. In the opinion of the Directors of Advanced Share Registry Limited (the 'Company'):
  - (a) the financial statements and notes set out on pages 13 to 59 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
    - (iii) complying with International Financial Reporting Standards as disclosed in Note 1; and
  - (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors.



Simon Cato  
Chairman of Directors

Signed at Perth on 23 September 2019

**ADVANCED SHARE REGISTRY LIMITED  
ABN 14 127 175 946**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ADVANCED SHARE REGISTRY LIMITED**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Advanced Share Registry Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**ADVANCED SHARE REGISTRY LIMITED  
ABN 14 127 175 946**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ADVANCED SHARE REGISTRY LIMITED**

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Recoverability of non-current assets</b></p> <p>Refer to Note 10, Note 12 and Note 13 to the financial report.</p> <hr/> <p>Included in the consolidated statement of financial position as at 30 June 2019 is an amount for \$2,326,042 relating to non-current assets (excluding investment properties). This amount represents 25% of total assets.</p> <p>AASB 136 <i>Impairment of Assets</i> ("AASB 136") requires an entity to test non-current assets where there are indicators of impairment and to test goodwill acquired in a business combination for impairment annually.</p> <p>The evaluation of the recoverable amount of the Share Registry cash generating unit ('CGU') requires significant judgement in determining the key assumptions and estimates, including but not limited to:</p> <ul style="list-style-type: none"> <li>• growth rate assumptions; and</li> <li>• discount factors</li> </ul> <p>supporting the expected future cash flows of the business and the utilisation of the relevant assets.</p> <p>Due to the significance to the Group's financial report and the level of judgment involved in assessing the recoverable amount of the Group's CGU, we consider this to be a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding of and evaluating the processes and controls associated with the assessment of the Group's Share registry CGU.</p> <p>Assessing management's determination of the Share registry CGU based on our understanding of the nature of the Group's business and the economic environment.</p> <p>Critically assessing and challenging the Group's judgments in respect of the key assumptions and estimates used to determine the recoverable value of the Share registry CGU in accordance with AASB 136.</p> <p>Performing sensitivity analysis on the key assumptions and estimates.</p> <p>Testing the mathematical accuracy of the model.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>
<p><b>Revenue recognition</b></p> <p>Refer to Note 2 to the financial report.</p> <hr/> <p>Included in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2019 is an amount for \$5,261,143 relating to revenue, split between registry fees and client disbursement recovered.</p> <p>Revenue related to registry fees, representing 75% of the Group's total revenue, is recognised over the period the service is provided in accordance with the requirements of AASB 15 <i>Revenue from contracts with customers</i> ("AASB 15").</p> <p>Due to the significance to the Group's financial report and the level of judgment involved in determining the stage of completion with reference to the services performed to date, we consider this to be a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding of and evaluating the processes and controls associated with the treatment of revenue.</p> <p>Performing analytical procedures for revenue and obtaining explanations from management and corroborating evidence where movements were identified outside of our expectation.</p> <p>Performing detailed testing of a sample of invoices to assess the revenue recognition policies for appropriateness and compliance with the recognition requirements of AASB 15.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>



**ADVANCED SHARE REGISTRY LIMITED  
ABN 14 127 175 946**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ADVANCED SHARE REGISTRY LIMITED**

---

**Carrying value of properties held at fair value**

Refer to Note 10 and Note 11 to the financial report.

Included in the consolidated statement of financial position as at 30 June 2019 is an amount for \$2,953,057 relating to the Group's properties held at fair value. This amount represents 31% of total assets.

Although considered to be non-complex in nature, the Group's properties held at fair value are classified under Australia Accounting Standards as "level 3" on the basis that the inputs into the determination of fair value are unobservable.

The valuation of the properties held at fair value is based on key assumptions and estimates including but not limited to:

- estimated selling price per square metre; and
- recent selling price of comparable properties.

The Group engages external independent valuers to undertake valuations of each investment property on a periodic basis, with desktop valuations being obtained for the properties off-cycle to support the director's internal valuation.

Due to the significance to the Group's financial report and the level of judgment involved in determining the fair value of the Group's "level 3" properties held at fair value, we consider this to be a key audit matter.

Our procedures included, amongst others:

Obtaining an understanding of and evaluating the processes and controls associated with the preparation of the valuation model used to assess the fair value of Group's properties held at fair value.

Obtaining managements valuation for each property.

Assessing the appropriateness of the Group's judgments and conclusion that the Group's properties held at fair value are recorded at fair value as at 30 June 2019. In doing so reviewing and challenging the judgements made by management in respect of the key assumptions and estimates used in determining the fair value as at 30 June 2019 pursuant to the requirements of Australian Accounting Standards.

Assessing the adequacy of the disclosures included within the financial report.

---

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**ADVANCED SHARE REGISTRY LIMITED  
ABN 14 127 175 946**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ADVANCED SHARE REGISTRY LIMITED**

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**ADVANCED SHARE REGISTRY LIMITED  
ABN 14 127 175 946**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ADVANCED SHARE REGISTRY LIMITED**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

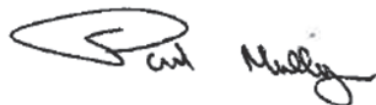
We have audited the Remuneration Report included in pages 8 to 10 of the directors' report for the year ended 30 June 2019. In our opinion, the Remuneration Report of Advanced Share Registry Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, 23 September 2019

# ADVANCED SHARE REGISTRY LIMITED AND ITS CONTROLLED ENTITIES

ABN 14 127 175 946

## SHAREHOLDER INFORMATION (Current as at 10 September 2019)

### A. Substantial Shareholders

Name	Number of Shares	Percentage of Issued Capital
KMC Automation Pty Ltd	23,955,885	56.04%
Washington H Soul Pattinson	4,494,726	10.51%
Pacific Custodians Pty Ltd	3,508,577	8.20%

### B. Distribution of Fully Paid Ordinary Shares

i) Distribution Schedule of Holdings	Holders	Number of Shares	Percentage of Issued Capital
1-1000	52	26,248	0.06%
1,001-5,000	102	363,301	0.85%
5,001-10,000	75	665,897	1.55%
10,001-100,000	158	5,143,927	12.03%
100,101 and over	22	36,547,127	85.49%
Total number of holders	409	42,746,500	100.00%
ii) Holding less than a marketable parcel	30		

### C. Twenty Largest Shareholders

	Number of Shares	Percentage of Issued Capital
1 KMC Automation Pty Ltd	23,955,885	56.04%
2 Washington H Soul Pattinson and Company Ltd	4,494,726	10.51%
3 Pacific Custodians Pty Ltd	3,508,577	8.20%
4 The Australian Superannuation Group (WA) Pty Ltd	645,050	1.50%
5 Hutchison Family Super	614,380	1.43%
6 Richard Isles	379,983	0.88%
7 British Columbia Superfund	335,500	0.78%
8 Simon Cato	275,000	0.64%
9 Tan Family Superfund	255,000	0.59%
10 The Number 69 Prov Fund	225,000	0.52%
11 WJK Superannuation Fund	217,182	0.50%
12 Alan Winduss	215,000	0.50%
13 The Moore Superfund	190,664	0.44%
14 Synchronised Software Pty Ltd	177,500	0.41%
15 E J Dally Superfund	177,360	0.41%
16 Bruce Fryer and Peta Fryer	154,820	0.36%
17 Batten Superfund	125,000	0.29%
18 The John Mckay Superfund	125,000	0.29%
19 United Overseas Australia Ltd	125,000	0.29%
20 Rosemont Asset Pty Ltd	125,000	0.29%



**ADVANCED**  
SHARE REGISTRY