PRIMEWEST FUNDS LTD
ACN 134 321 216

FINANCIAL REPORT

FOR THE YEAR ENDED
30 June 2018

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TABLE OF C O N T E N T S

PRIMEWEST FUNDS LTD
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2018.

Directors

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

Mr John Bryan Bond
Mr James Evangelos Litis
Mr David Jacob Schwartz
Ms Julian David Lodge - Alternate Director

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

Principal Activities

The principal activity of the company during the financial year was providing advice in relation to in-house managed investment schemes, and the ongoing management of existing in-house managed investment schemes. These schemes involve the investment in retail and commercial property both in WA and Australia-wide.

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

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to $8,195,043 (2017: $6,465,296).

The company earned syndication fees, property management fees and consulting fess from syndication of various properties.

Monthly property management fees are being collected on 53 properties as at 30 June 2018.

Significant Changes in State of Affairs

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

Events Subsequent to the End of the Reporting Period

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

Dividends

A fully franked dividend of $3,623,182 (2017: $9,835,920) was declared and paid in the current year.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on Directors

Director	Qualifications and Experience
Mr John Bond	Mr Bond is a professional property investor with over 30 years experience in negotiating acquisitions, overseeing development of properties and asset management. He also has substantial experience in residential subdivisions throughout Australia. Mr Bond is a qualified solicitor, holding a Bachelor of Law and a Bachelor of Jurisprudence. He also holds a Bachelor of Commerce.
Mr James Litis	Mr Litis has extensive experience in retail, having founded and successfully operated Douglas Hi-Fi in Perth from 1973 to 1988. He holds a Bachelor of Applied Science (Pharmacy). He has been a professional property investor for over 30 years and has substantial experience and expertise in asset management and development of both retail and commercial property.
Mr David Schwartz	Mr Schwartz is a professional property investor with over 30 years experience in negotiating acquisitions and overseeing development of properties. He is non-executive Director of Schaffer Corporation Ltd. His property investments have been strongly focussed on retail and commercial developments.

Directors' Interests

The relevant interests of directors either directly or through entities controlled by the directors in the share capital of the Company as at the date of this report are:

Director	Ordinary Shares	Z Class Shares
Mr John Bond	2,714	1
Mr James Litis	2,714	1
Mr David Schwartz	2,714	1
Total	**8,142**	**3**

PRIMEWEST FUNDS LTD
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DIRECTORS' REPORT (continued)

Meetings of Directors

During the year, 22 meetings of directors were held. Attendances were:

Name	Number Eligible to Attend	Number Attended
Mr John Bond	18	18
Mr James Litis	18	18
Mr David Schwartz	18	18

Matters of board business have been resolved by circular resolutions of directors, which are a record of decisions made at a number of informal meetings of the directors held to control, implement and monitor the Company's activities throughout the year.

Remuneration Report

Remuneration packages may contain the following key elements:

a) Directors Fees
b) Salary and Consultancy
c) Benefits – including provision of motor vehicle, superannuation.

The directors are also remunerated for any additional services they render to the Company and such services are carried out under normal terms and conditions. Engagement and payment for such services are approved by the other directors with no interest in the engagement of such services.

Remuneration paid to directors in office at any time during the financial period was as follows. There was no share based compensation in the period.

		Primary				
Name	Directors Fees	Salary Incl. Benefits	Consulting Fees	Super-annuation	Equity Shares/ Options	Total
John Bond	Nil	Nil	Nil	Nil	Nil	Nil
James Litis	Nil	Nil	Nil	Nil	Nil	Nil
David Schwartz	Nil	Nil	Nil	Nil	Nil	Nil

Other than the directors listed above there were no Specified Executives.

Options

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

PRIMEWEST FUNDS LTD
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DIRECTORS' REPORT (continued)

Directors' Benefits

During or since the financial year, no Director of the Company has received or become entitled to receive a benefit because of a contract that the Director or a firm of which the Director is a member or an entity in which the Director has a substantial financial interest made with the Company or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive the benefit.

Audit Committee

The Company does not have an audit committee, as, in the opinion of the directors, the scope and size of the Company's operations do not warrant it.

Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on behalf of the company

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

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

The directors' report is signed in accordance with a resolution of the Board of Directors:

DAVID JACOB SCHWARTZ	**JAMES EVANGELOS LITIS**
DIRECTOR	**DIRECTOR**

DATED THIS 24th **DAY OF** August **2018.**

MACRI
PARTNERS

Certified Practising Accountants

PARTNERS
Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF PRIMEWEST FUNDS LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of :

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Macri Partners

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CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS 27th **DAY OF** August **2018**

MACRI
PARTNERS

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PARTNERS
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRIMEWEST FUNDS LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Primewest Funds Ltd (the company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

(a) the financial report of Primewest Funds Ltd is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 company 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 confirm that the independence declaration required by the *Corporations Act 2001* , which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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INDEPENDENT AUDITOR'S REPORT (continued)

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2018, 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.

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 company's ability 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 company 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT (continued)

- 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 company'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 company 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.

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

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PERTH
DATED THIS 27th **DAY OF** August **2018**

PRIMEWEST FUNDS LTD
ACN 134 321 216

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Primewest Funds Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 35, are in accordance with the *Corporations Act 2001* and ;

(a) comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards ; and

(b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

DAVID JACOB SCHWARTZ
DIRECTOR

JAMES EVANGELOS LITIS
DIRECTOR

DATED THIS 24th **DAY OF** August **2018**

PRIMEWEST FUNDS LTD
ACN 134 321 216

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Revenue	2	16,654,636	13,089,874
Other income	2	30,402	33,818
Employee benefits expense		(456,053)	(68,110)
Depreciation and amortisation		(726)	(720)
Commission paid		(1,151,272)	(780,267)
Office service management fee		(3,392,250)	(2,887,955)
Other expenses		(369,988)	(167,608)
Profit before income tax		**11,314,749**	**9,219,032**
Income tax expense	3	(3,119,706)	(2,753,736)
Profit for the year		**8,195,043**	**6,465,296**
Other comprehensive income			
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**8,195,043**	**6,465,296**
Profit attributable to members of the entity		**8,195,043**	**6,465,296**
Total comprehensive income attributable to members of the entity		**8,195,043**	**6,465,296**
Total dividends per share for the year (dollar)		**362.32**	**983.59**

The accompanying notes form part of these financial statements.

PRIMEWEST FUNDS LTD
ACN 134 321 216

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018	2017
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,760,011	3,202,492
Trade and other receivables	5	8,886,830	3,750,165
TOTAL CURRENT ASSETS		**11,646,841**	**6,952,657**
NON-CURRENT ASSETS			
Intangible assets	6	43,436	14,665
Property, plant and equipment	7	1,637	2,363
TOTAL NON-CURRENT ASSETS		**45,073**	**17,028**
TOTAL ASSETS		**11,691,914**	**6,969,685**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	861,202	616,237
Provisions	9	16,481	5,246
Tax liabilities	10	369,771	475,603
TOTAL CURRENT LIABILITIES		**1,247,454**	**1,097,086**
TOTAL LIABILITIES		**1,247,454**	**1,097,086**
NET ASSETS		**10,444,460**	**5,872,599**
EQUITY			
Issued capital	11	1,005	1,005
Retained earnings		10,443,455	5,871,594
TOTAL EQUITY		**10,444,460**	**5,872,599**

The accompanying notes form part of these financial statements.

PRIMEWEST FUNDS LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

		Ordinary Shares $	Retained earnings $	Total $
Balance at 1 July 2016		1,000	9,242,218	9,243,218
Profit attributable to equity shareholders		-	6,465,296	6,465,296
New shares issued		5	-	5
Dividends paid	15	-	(9,835,920)	(9,835,920)
Balance at 30 June 2017		**1,005**	**5,871,594**	**5,872,599**

		Ordinary Shares $	Retained earnings $	Total $
Balance at 1 July 2017		1,005	5,871,594	5,872,599
Profit attributable to equity shareholders		-	8,195,043	8,195,043
New shares issued		-	-	-
Dividends paid	15	-	(3,623,182)	(3,623,182)
Balance at 30 June 2018		**1,005**	**10,443,455**	**10,444,460**

The accompanying notes form part of these financial statements.

PRIMEWEST FUNDS LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		18,259,271	14,456,698
Payments to suppliers and employees		(5,743,466)	(4,231,331)
Interest received		30,402	33,818
Income tax paid		(3,225,538)	(2,488,530)
GST received/ (paid)		(1,161,531)	(809,448)
Net cash provided by operating activities	12(b)	**8,159,138**	**6,961,207**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		(28,771)	(14,665)
Purchase of property, plant and equipment		-	-
Net cash provided by / (used in) investing activities		**(28,771)**	**(14,665)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(3,623,182)	(9,835,920)
Proceeds from issuing shares		-	5
Loans from/ (to) shareholders and related syndicates		(4,949,666)	4,751,815
Net cash used in financing activities		**(8,572,848)**	**(5,084,100)**
Net increase/ (decrease) in cash and cash equivalents		(442,481)	1,862,442
Cash and cash equivalents at the beginning of financial year		3,202,492	1,340,050
Cash and cash equivalents at the end of financial year	12(a)	**2,760,011**	**3,202,492**

The accompanying notes form part of these financial statements.

The financial statements cover Primewest Funds Ltd as an individual entity. Primewest Funds Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issuance on 24 August 2018 by the directors of the company.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

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

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Intangible assets

Intangible assets are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation. Intangible assets are amortised on a straight-line basis over their useful lives.

(b) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

The cost of fixed assets constructed within the company includes the costs of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Note 1: Summary of Significant Accounting Policies (cont'd)

(c) Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their estimated useful lives to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Computer Equipment	50% diminishing value
Software	20% prime cost

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying value 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 the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Note 1: Summary of Significant Accounting Policies (cont'd)

(d) Income Tax (continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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: (i) a legally enforceable right of set-off exists; and (ii) 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.

(e) Foreign Currency Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Note 1: Summary of Significant Accounting Policies (cont'd)

(f) Cash and Cash Equivalents

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

(g) Trade and Other Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of reporting period are classified as current assets. All other receivables are classified as non-current assets.

(h) Trade and Other Payables

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

(i) Employee Benefits

Short term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognized as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for the company's long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefit are measured at the present value of expected future payments to be made to employees.

Expected future payments incorporate future wages and salary levels, duration of service and employee departures and are discounted at rates determined by reference to market yields at the end of reporting period on government bonds that have maturity dates approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognized in profit or loss as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provision in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provision.

Note 1: Summary of Significant Accounting Policies (cont'd)

(j) Provisions

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

(k) Leases

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

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

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expense in the period in which they are incurred.

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

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

(m) Critical Accounting Estimates and Judgments

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

Note 1: Summary of Significant Accounting Policies (cont'd)

(m) Critical Accounting Estimates and Judgments (cont'd)

Key estimates

i) Impairment

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company 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 judgements

i) Employee benefits

For the purpose of measurement, AASB119: *Employee Benefits* defines obligation for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the entity expects that all its employees would use all their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the directors consider that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

(n) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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

Note 1: Summary of Significant Accounting Policies (cont'd)

(n) Financial Instruments (cont'd)

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

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

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

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Note 1: Summary of Significant Accounting Policies (cont'd)

(n) Financial Instruments (cont'd)

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to the asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Note 1: Summary of Significant Accounting Policies (cont'd)

(n) Financial Instruments (cont'd)

Derecognition

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

(o) Impairment of Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

(p) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue comprises management, project management, office service management, consulting and syndication fees received by the entity.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

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

Note 1: Summary of Significant Accounting Policies (cont'd)

(q) Comparative Figures

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

(r) 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 periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Group on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

  Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-7 : *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*

  AASB 2014-7 (issued December 2014) gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issue of AASB 9 : Financial Instruments (December 2014) . More significantly, additional disclosure requirements have been added to AASB 7 : Financial Instruments: Disclosures regarding credit risk exposures of the entity. This Standard also makes various editorial corrections to Australian Accounting Standards and an Interpretation. AASB 2014-7 mandatorily applies to annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted, provided AASB 9 (December 2014) is applied for the same period.

Note 1: Summary of Significant Accounting Policies (cont'd)

(r) New Accounting Standards for Application in Future Periods (Cont'd)

- AASB 15: *Revenue from Contract with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards - Effective Date of AASB 15*)

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principal-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principal of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

  - identify the contracts with a customer
  - identify the performance obligations in contracts
  - determine the transaction price
  - allocate the transaction price to the performance obligations in the contracts; and
  - recognise revenue when (or as) the performance obligations are satisfied.

  The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108 : *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

  Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-5 : *Amendments to Australian Accounting Standards arising from AASB 15*

  This Standard is applicable to annual reporting periods beginning on or after 1 January 2017 and makes consequential amendments to various Australian Accounting Standards arising as a result of the issue of AASB 15 : Revenue from Contracts with Customers . AASB 2014-5 is not expected to impact the entity's financial statements.

Note 1: Summary of Significant Accounting Policies (cont'd)

(r) New Accounting Standards for Application in Future Periods (Cont'd)

- AASB 2015-8 : *Amendments to Australian Accounting Standards – Effective Date of AASB 15*

  This Standard amends the mandatory effective date (application date) of AASB 15 : *Revenue from Contracts with Customers* so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. Therefore, this Standard also defers the consequential amendments that were originally set out in AASB 2014-5 : *Amendments to Australian Accounting Standards* arising from AASB 15 . This deferral is achieved in a variety of ways because some of the Standards amended by AASB 2014-5 have been superseded by new principal versions issued in 2015 that apply to annual reporting periods beginning on or after 1 January 2017 or 2018. This Standard amends I interpretation 1052 : *Tax Consolidation Accounting* to update the cross-references to Standards and to remove the references to dividends and other distributions, so that the wording of Int 1052.45 is appropriate for annual reporting periods beginning on or after 1 January 2018. AASB 15 is also reformatted to follow the structure of the new principal versions of other Standards by deleting or moving the Aus-numbered "Application" paragraphs.

- AASB 2016-3 (issued May 2016) makes amendments to AASB 15 to:

  - clarify the requirements for assessing whether two or more promises to transfer goods or services to a customer are separately identifiable when identifying performance obligations in accordance with AASB 15.27(b) and the factors indicating this assessment;

  - elaborate on the assessment of "control" over goods or services when determining whether an entity is acting as a principal or agent;

  - clarify the timing of revenue recognition from licensing transactions; and

  - extend the application of practical expedients on transition to AASB 15 .

  AASB 2016-3 mandatorily applies to annual reporting periods beginning on or after 1 January 2018, with earlier application permitted.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

  The main changes introduced by the new Standard include:

  - recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);

  - depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;

Note 1: Summary of Significant Accounting Policies (cont'd)

(r) New Accounting Standards for Application in Future Periods (Cont'd)

- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 $	2017 $
Note 2: Revenue		
Operating Activities		
- Consulting fees	7,374,250	5,419,084
- Syndication fees	8,379,502	6,992,240
- Other fees	900,884	678,550
	16,654,636	13,089,874
Other Income		
- Interest	30,402	33,818
	16,685,038	**13,123,692**

Note 3: Income Tax

a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2018 $	2017 $
Prima facie tax on profit from ordinary activities before income tax at 27.5% (2017: 30%)	3,111,556	2,765,710
Add/less Tax effect of:		
- Non-deductible items	10,968	3,244
- Non-taxable items	(2,818)	(15,218)
- adjustment for under/(over) provision of current income tax of previous year		-
Income tax attributable to entity	**3,119,706**	**2,753,736**
The applicable weighted average effective tax rates are as follows:	27.57%	29.87%

b) The components of tax expense comprise:

	2018 $	2017 $
Current tax expense/(income)	3,119,706	2,753,736
	3,119,706	**2,753,736**

Note 4: Cash and Cash Equivalents

	2018 $	2017 $
Cash at bank	2,759,006	3,201,487
Cash on hand	1,005	1,005
	2,760,011	**3,202,492**

	2018 $	2017 $
Note 5: Trade and Other Receivables		
CURRENT		
Trade receivables	269,413	77,007
Other receivables	44,566	49,973
Loans to shareholders	8,572,851	3,623,185
	8,886,830	**3,750,165**

Note 6: Intangible Assets

	2018 $	2017 $
At cost	56,025	18,331
Accumulated impairment loss	(12,589)	(3,666)
Net carrying value	**43,436**	**14,665**

Note 7: Property, Plant and Equipment

	2018 $	2017 $
Office Equipment at cost	3,600	3,600
Less: accumulated depreciation	(1,963)	(1,237)
Total Office Equipment	**1,637**	**2,363**

Movements in the carrying amount for each class of property, plant and equipment between the beginning and the end of the year:

	Office Equipment $	Total $
Balance at 1 July 2017	2,363	2,363
Additions	-	-
Disposal	-	-
Depreciation expense	(726)	(726)
Balance at 30 June 2018	**1,637**	**1,637**

Note 8: Trade and Other Payables

CURRENT

Unsecured liabilities:

	2018 $	2017 $
Trade payables	439,777	293,051
GST payable	263,742	216,200
Other payables and accrued expenses	157,683	106,986
	861,202	**616,237**

	2018 $	2017 $
Note 9: Provisions		
CURRENT		
Provision for annual leave	16,481	5,246
Provision for long service leave	-	-
	16,481	**5,246**
Note 10: Tax Liabilities		
CURRENT		
Income tax	**369,771**	**475,603**

Note 11: Issued Capital

a. Ordinary Shares

	2018 $	2017 $
10,000 (2017: 10,000) fully paid ordinary shares	**1,000**	**1,000**
5 (2017: 5) fully paid Z Class shares	**5**	**5**
	1,005	**1,005**

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

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

b. Capital Management

Management controls the capital of the company in order to maintain a good debt to equity ratio and to ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital include ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to its changes in these risks and in the market. These responses include the management of debts levels, distributions to shareholders and share issues.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 12: Cash Flow Information

	2018 $	2017 $
a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to item in the statement of financial position as follows:		
Cash and cash equivalents	**2,760,011**	**3,202,492**
b) Reconciliation of cash flows from operations with profit from ordinary activities after income tax		
Profit from ordinary activities after income tax	8,195,043	6,465,296
Non-cash flows in profit from ordinary activities:		
Depreciation	726	720
Loss on disposal of property, plant and equipment	-	-
Net changes in working capital:		
(Increase)/Decrease in trade and other receivables	(186,999)	(14,576)
Increase/(Decrease) in provisions	11,235	(40,476)
Increase/(Decrease) in tax liabilities	(105,832)	265,206
Increase/(Decrease) in trade and other payables	244,965	285,037
Cash flows provided by operations	**8,159,138**	**6,961,207**

Note 13: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from related parties.

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

Financial Assets

Cash and cash equivalents	2,760,011	3,202,492
Trade and other receivables	8,886,830	3,750,165
Total financial assets	**11,646,841**	**6,952,657**

	2018 $	2017 $
Note 13: Financial Risk Management (cont'd)		
Financial Liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	861,202	616,237
Total financial Liabilities	**861,202**	**616,237**

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative financial instruments at 30 June 2018.

The table below reflects 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.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
	2018	2017	2018 $	2017 $	2018 $	2017 $
Financial Assets						
Cash & cash equivalents	1.10%	1.00%	2,759,006	3,201,487	1,005	1,005
Trade & other receivables	-	-	-	-	8,886,830	3,750,165
Total Financial Assets			**2,759,006**	**3,201,487**	**8,887,835**	**3,751,170**
Financial Liabilities						
Trade & other payables	-	-	-	-	861,202	616,237
Total Financial Liabilities			-	-	**861,202**	**616,237**

Note 13: Financial Risk Management (cont'd)

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are liquidity risk and credit risk.

Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages liquidity risk by preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities.

Credit Risk

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

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 balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Credit risk is managed reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balances at 30 June 2018 and 30 June 2017 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Note 13: Financial Risk Management (cont'd)

Net Fair Values

Fair value estimation

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

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

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost (i.e. trade receivable, loan liabilities) are to be held until maturity and therefore the net fair values figures calculated bear little relevance to the company.

	Net Carrying Value 2018 $	Fair Value 2018 $	Net Carrying Value 2017 $	Fair Value 2017 $
Financial Assets				
Cash and cash equivalents	2,760,011	2,760,011	3,202,492	3,202,492
Receivables	8,886,830	8,886,830	3,750,165	3,750,165
Total Financial Assets	**11,646,841**	**11,646,841**	**6,952,657**	**6,952,657**
Financial Liabilities				
Trade and other payables	861,202	861,202	616,237	616,237
Total Financial Liabilities	**861,202**	**861,202**	**616,237**	**616,237**

Note 13: Financial Risk Management (cont'd)

Net Fair Values

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

- Cash and cash equivalents, trade and other receivables, trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts relating to the provision of leave entitlement, which is outside the scope of AASB 139 and AASB 7.

Sensitivity Analysis

- The company performed a sensitivity analysis relating to interest rate risk, foreign currency risk and price risk at the end of the reporting period. The directors believe that the impact of sensitivity analysis on the financial statements is insignificant.

	2018	2017
Note 14: Auditors' Remuneration	**$**	**$**
Remuneration of the auditor:		
- auditing the financial statements	**8,660**	**8,600**

Note 15: Dividends

Distributions paid Declared fully franked dividend of 362 (2017: 984) dollars per share franked at the tax rate of 27.5%	**3,623,182**	**9,835,920**
Balance of franking account at year end adjusted for franking credits arising from		
- payment of provision for income tax - dividends recognised as receivables, and franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years	**10,310,797**	**4,806,116**

Note 16: Segment Reporting

The company operates in one business and geographical segment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 17: Related Party Transactions

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

(a) Key Management Personnel

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

(b) Other Related Parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(c) Transaction with Related Parties

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

		2018 $	2017 $
Transactions with related parties			
a)	Office management fees paid	3,392,250	2,887,955
b)	Syndication fees received	8,379,502	6,992,240
c)	Loans to shareholders		
	Balance at beginning of the year	3,623,185	8,375,000
	Loan advanced	8,572,846	5,084,105
	Loan repayment received	(3,623,182)	(9,835,920)
	Balance at end of the year	8,572,849	3,623,185

Note 18: Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets at the reporting date.

Note 19: Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 20: Company Details

The registered office and principal place of business of the company is:

Level 1
307 - 313 Murray Street
PERTH WA 6000