

CORPORATE DIRECTORY

Non-Executive Chairman

Sydney Office

Suite 8

Board of Directors

Nedlands WA 6009

Telephone: +61 8 9389 8033 Facsimile: +61 8 9262 3723

Website www.advancedshare.com.au Email: admin@advancedshare.com.au

S K Cato

K P Chong	Managing Director	325 Pitt Street			
A Tan	Non-Executive Director	Sydney NSW 2000			
A C Winduss	Non-Executive Director	Telephone: +61 2 8096 3502			
		Facsimile: +61 8 9262 3723			
Company Secret	ary				
A C Winduss		Auditors			
		Pitcher Partners BA&A Pty Ltd			
		Level 11			
Stock Exchange I	isting	12-14 The Esplanade			
	SW .	Perth WA 6000			
	Registry Limited is a company				
limited by shares	, incorporated in Australia				
		Solicitors			
		Cullen Macleod			
Share Registry		Level 2			
Advanced Share		95 Stirling Highway			
110 Stirling High	•	Nedlands, WA 6009			
Nedlands WA 60					
Telephone: +61 8					
Facsimile: +61 8 9					
	lvancedshare.com.au				
Email: admin@ad	dvancedshare.com.au	Contents			
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Shareholder Information

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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 2020.

The Board of Directors is pleased to advise a profit before income tax of \$2,143,369 for the period 1 July 2019 to 30 June 2020 (\$2,049,209 in 2019).

Operationally, trading conditions were steady until early in the second half of the financial year where we experienced a significant fall in turnover for the third quarter due to the effects of COVID- 19 and the response to it throughout the world.

We made early and significant responses to control costs with a combination of reduced hours for staff and significant reductions in salary for directors. We also successfully implemented during this period a whole new system to carry out virtual shareholder meetings for companies.

In the fourth quarter a resurgence of corporate actions, especially in resource companies, brought our total turnover back to a good comparative to last year.

The results include the effects of the salary reductions and cost cutting advised above as well as the effect of government stimulus packages referred to elsewhere in this report.

The result has also been impacted by a significant provision for bad debts. As the resource sector continues to strengthen, we are cautiously hopeful that, as in previous years, a portion of this will in fact be recovered.

We continue to operate on reduced hours for staff and reduced director remuneration and the "new normal" may not emerge for some time as the effect of gradually reduced government stimulus is felt by our clients and investors.

All of our systems have held up well in these difficult times and the Board of Directors and I commend our staff who have made considerable sacrifices during these difficult times.

It is also a matter of great pride for the Board of Directors to have maintained our dividend for the year.

Simon Cato Chairman

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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 2020 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

Kim Chong

Alvin Tan

Alan Winduss

Non-Executive Chairman

Managing Director

Non-Executive Director

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 Chairman
Qualifications B A (USYD)

Experience Appointed chairman on 22 August 2007

Mr 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 550,000 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 Managing Director and Chief Executive Officer

Experience Appointed director on 22 August 2007

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

DIRECTORS' REPORT

Chong founded 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.

Interest in Shares & Options Special Responsibilities

24,122,734 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

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

Alvin TanQualifications
Experience

Non-Executive Director B Com (Hons)

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 Directorships held in other listed entities

545,500 ordinary shares

Mr Tan is a director of PYX Resources Limited (formerly South Pacific Resources Ltd) and BKM Management Ltd (since 2002).

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

Alan Charles Winduss

Qualifications Experience Non-Executive Director and Company Secretary

CPA, FTIA, FAICD, AFAIM

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

DIRECTORS' REPORT

Australian Institute of Company Directors and is a registered Australian company auditor.

Interest in Shares & Options Special Responsibilities

245,000 ordinary shares

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 2020 the Group achieved revenue of \$5,440,503 (2019: \$5,261,143) and a profit before taxation of \$2,143,369 (2019: \$2,049,209).

This profit was after charges of \$92,317 for amortisation and depreciation.

The Board of Directors ("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.

When reviewing the results above, it is to be noted that the Group incurred some costs applicable to the current year only, such as the value of the shares issued to the Directors during the period, but has received assistance through the COVID-19 measures which have offset these additional costs.

The Group paid a final dividend of 2.00c per share on 20 August 2020.

The Board is confident of continuing success for the Group but also realise economic conditions and market competition will influence this. The Board notes that under the present government assistance schemes available, the Group will cease to receive the assistance after 27 September 2020.

Director's Meetings

Director	Board Meetings Held	Board Meetings Attended
S. Cato	2	2
K. Chong	2	2
A. Tan	2	2
A. Winduss	2	2

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

DIRECTORS' REPORT

Term in Office

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

S. Cato	13 years
K. Chong	13 years
A. Tan	13 years
A. Winduss	13 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 ("ASX") Requirements.

The half yearly report is distributed to shareholders on request.

Issue of Performance Rights

Subsequent to 30 June 2020 and as at the date of this report, 13,000 performance rights have been converted to the right to acquire shares in the Company by the relevant employees as the performance conditions for conversion were met. The performance rights vested, exercised and 13,000 ordinary shares were issued to those relevant employees of the Group on 30 July 2020. 13,000 performance rights were forfeited during the year. Pursuant to the Remuneration Policy of the Group, no performance rights have been issued to any Key Management Personnel ("KMP") of the Group.

Dividends Paid or Recommended

	Cents per	
	share	Total
Final dividend paid – 16 September 2019	2.00c	\$854,930
Interim dividend paid – 7 February 2020	2.10c	\$902,297
Final dividend paid – 20 August 2020	2.00c	\$859,590

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.

Impact of COVID-19 on Operations

The COVID-19 pandemic has had an impact on the Group, with an initial decline in operations at the beginning of the pandemic period through the delaying of meetings and corporate actions by

DIRECTORS' REPORT

clients. However, through resource management, seeking additional work through hosting virtual meetings and similar services as well as relevant government assistance, the initial decline in turnover was offset by the decreased operational costs and assistance received. An increase in corporate activity in the latter months of the pandemic period provided further buoyancy for the Group prior to the year end and into the early months of the new financial year. Although the ongoing impact on the Group remains uncertain and it is anticipated that further government assistance will not be receivable after the end of September 2020, the increased activity at the commencement of the 2021 financial year is encouraging.

Significant Changes in State of Affairs

Except for the Coronavirus ("COVID-19") and subsequent government actions, the longer term impacts of which the Group cannot determine at this time, there were no significant changes in the state of affairs of our company during the financial year ended 30 June 2020.

Employees

The Group employed 20 persons as at 30 June 2020 (2019: 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	2020 \$	2019 \$
Revenue		
Share registry services	5,665,933	5,350,528
Property Investment	99,488	78,373

Shareholder Returns

The Board approved an ordinary 2.00c fully franked dividend which was paid on 20 August 2020.

	2020	2019
Basic earnings per share	3.53c	3.46c
NTA per share	16.07c	16.30c
Return on Equity	18.92%	18.29%
Return on Assets	16.10%	15.79%

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.

DIRECTORS' REPORT

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 \$859,590 was paid on 20 August 2020.

13,000 ordinary shares were issued on 30 July 2020 to relevant employees who met the performance rights conditions and exercised their right to acquire the shares.

Except for the matters 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 KMP of the Company and the Group, and the positions they hold, are listed in the following table.

KMP	Position held as at 30 June 2020	Contract details
	and any change during the year	(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.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited)

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. Although the remuneration policy also does not provide for any shares or options, including performance rights, to be granted to KMP in respect of their remuneration packages, shares or options, including performance rights, can be issued at the discretion of the Board but only following approval of shareholders.

KMP Remuneration

The Board is 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 2001 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. When the Board performs the functions of the Remuneration Committee in determining the Non-Executive Director remuneration allocation or the remuneration of the Managing Director, each Director abstains from being involved in determining their own remuneration. 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.

The following table shows revenue and other income, net profit after tax and dividends paid for the last five years for the Group, as well as the share prices at the end of the respective financial years.

	2020	2019	2018	2017	2016
Revenue and other income	5,765,421	5,428,901	6,086,346	6,064,326	6,198,049
Net profit after tax	1,516,295	1,480,757	2,289,574	1,779,076	1,856,176
Share price at year end	0.65	0.70	0.71	0.74	0.62
Dividends paid (cents per share)	4.10	4.00	4.20	4.20	4.25

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) 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. The contract expired on 1 June 2020 and is currently under renegotiation.

As per the agreement, 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. However, Mr Chong has agreed to a voluntary reduction in annual salary in addition to a 20% pay reduction from March 2020 applied to all directors due to the COVID-19 pandemic. There was \$576 to be reimbursed to Mr Chong as at 30 June 2020.

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 2020

КМР	-	Short – term benefits	Post- employment benefit	Equity -settled Share-based Payments	Long – term benefits Long service	Total
		Salary and fees	Superannuation	Shares	Leave	
Mr Kim Phin Chong	2020	\$159,966	\$15,197	\$108,000	-	\$283,163
	2019	\$183,475	\$17,706	-	-	\$201,181
Mr Simon Cato	2020	\$34,490	\$9,040	\$21,600	-	\$65,130
	2019	\$33,000	\$12,000	-	-	\$45,000
Mr Alan Winduss*	2020	\$25,200	-	\$14,400	-	\$39,600
	2019	\$27,000	-	-	-	\$27,000
Mr Alvin Tan**	2020	\$25,200	-	\$14,400	-	\$39,600
	2019	\$27,000	-	-	-	\$27,000
Total	2020	\$244,856	\$24,237	\$158,400	-	\$427,493
	2019	\$270,475	\$29,706	-	-	\$300,181

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

From March 2020, the Board considered the outlook for the Group in relation to the impact of the COVID-19 pandemic. At that time, given the uncertainty associated with income from corporate actions and similar non-recurring monthly services, the Board determined to take a 20% reduction in their fees from that point forward until the impact of the pandemic on the circumstances of the Group could be better understood.

The Group did not receive a "no" vote of 25% or more at its 2019 Annual General Meeting in relation to the resolution relating to the remuneration report.

^{**}Director services are provided by Apezo Pty Ltd (formerly Ostle International Pty Ltd), a company nominated by Mr. Alvin Tan

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) KMP Shareholdings

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

30 June 2020	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	30,000	-	550,000
K. Chong	23,955,885	150,000	16,849	24,122,734
A. Tan	525,500	20,000	-	545,500
A. Winduss	225,000	20,000	-	245,000
	25,226,385	220,000	16,849	25,463,234

KMP Options

No options were issued to KMP during the financial year (2019: nil).

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 2020 for accounting and secretarial services, was \$51,513 including GST (2019: \$58,740). The amount owing to Winduss & Associates Pty Ltd at 30 June 2020 is \$9,350 (2019: \$8,250).

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 \$176,854 including GST for the year ended 30 June 2020 (2019: \$184,680) with no amount outstanding at 30 June 2020 (2019: nil).

Other than the above and the balance of \$576 owed to Mr Chong, there are no other transactions or loans outstanding at 30 June 2020.

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 2020 and 30 June 2019 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 principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) by ensuring they do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

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 2020 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

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Chairman of Directors

Signed at Perth on 25 September 2020



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

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief there have been:

- 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 (including Independence Standards).

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

Techer Portners BAXA PTY LTD

PITCHER PARTNERS BA&A PTY LTD

PAUL MULLIGAN **Executive Director**

Perth, 25 September 2020

Pitcher Partners is an association of independent firms.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Revenue from contracts with customers	2	5,440,503	5,261,143
Other income	2	324,918	167,758
Occupancy expenses	3	(260,847)	(252,878)
Administrative expenses	3	(1,923,203)	(1,868,999)
Other operating expenses	3	(1,345,685)	(1,169,972)
Depreciation and amortisation expenses Impairment of goodwill	3	(92,317) -	(87,284) (559)
			, ,
Profit before income tax		2,143,369	2,049,209
Income tax expense	4	(627,074)	(568,452)
Profit after income tax		1,516,295	1,480,757
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		1,516,295	1,480,757
Profit attributable to:			
Owners of the parent		1,523,388	1,485,552
Non-controlling interests		(7,093)	(4,795)
		1,516,295	1,480,757
Comprehensive income attributable to:			
Owners of the parent		1,523,388	1,485,552
Non-controlling interests		(7,093)	(4,795)
		1,516,295	1,480,757
Basic earnings per share (cents per share)	26	3.53	3.46
Diluted earnings per share (cents per share)	26	3.53	3.46

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
ASSETS		·	·
Current Assets			
Cash and cash equivalents	6	4,057,987	3,938,283
Trade and other receivables	7	785,234	936,305
Other current assets	8	46,764	27,983
Total Current Assets		4,889,985	4,902,571
Non-current Assets			
Property, plant and equipment	9	1,055,751	1,017,076
Investment property	10	2,150,000	2,150,000
Intangible assets	11	1,101,130	1,115,594
Deferred tax assets	12	219,960	193,372
Total Non-current Assets		4,526,841	4,476,042
TOTAL ASSETS		9,416,826	9,378,613
LIABILITIES			
Current Liabilities			
Trade and other payables	13	314,083	345,231
Current tax liabilities	12	170,822	77,295
Provisions	14	430,853	373,379
Total Current Liabilities		915,758	795,905
Non-current Liabilities			
Provisions	14	17,067	9,091
Deferred tax liabilities	12	469,224	476,581
Total Non-current Liabilities		486,291	485,672
TOTAL LIABILITIES		1,402,049	1,281,577
NET ASSETS		8,014,777	8,097,036
EQUITY	4-	6 400 5 40	6.024.112
Issued capital	15	6,192,540	6,034,140
Retained earnings	47	1,214,607	1,448,444
Reserves	17	600,787	600,516
Total parent entity interest in equity		8,007,934	8,083,100
Total non-controlling interest		6,843	13,936
TOTAL EQUITY		8,014,777	8,097,036

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Issued	Retained	Employee Rights	Asset Revaluation		Non- controlling	
	Capital	Earnings	Reserve Ś	Reserve	Total	Interest	Total Equity
D. I	>)	т	\$ 504.063	>)	>
Balance at 1 July 2018	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 <i>,</i> 795)	1,480,757
Other comprehensive income		-	<u>-</u>	<u>-</u>	<u>-</u>		_
Total comprehensive income	-	1,485,552	-	-	1,485,552	(4 <i>,</i> 795)	1,480,757
Transactions with owners							
Non-controlling interest on							
acquisition of subsidiary	-	-	-	-	-	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
Total Transactions with owners		(1,752,607)	7,414	-	(1,745,193)	2,206	(1,742,987)
Balance at 30 June 2019	6,034,140	1,448,444	8,653	591,863	8,083,100	13,936	8,097,036
Profit after income tax	-	1,523,388	-	-	1,523,388	(7,093)	1,516,295
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	1,523,388	-	-	1,523,388	(7,093)	1,516,295
Transactions with owners							
Issue of share capital	158,400	-	-	-	158,400	-	158,400
Dividends paid in cash	-	(1,757,225)	-	-	(1,757,225)	-	(1,757,225)
Employee performance rights		_	271	-	271		271
Total Transactions with owners	158,400	(1,757,225)	271	-	(1,598,554)	-	(1,598,554)
Balance at 30 June 2020	6,192,540	1,214,607	8,924	591,863	8,007,934	6,843	8,014,777

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities		Ţ	J
Receipts from customers		6,332,143	5,882,383
Payments to suppliers and employees		(3,840,409)	(3,830,075)
Interest received		52,558	78,567
Income tax paid		(567,492)	(655,695)
Net cash flows provided by operating activities	18	1,976,800	1,475,180
Cash flows from investing activities			
Purchase of property, plant and equipment		(128,787)	(16,032)
Payments for purchase of intangibles		(950)	(44,150)
Net cash inflow on acquisition of subsidiary	30	-	1,648
Security bond received		27,500	-
Net cash flows used in investing activities		(102,237)	(58,534)
Cash flows from financing activities			
Dividends paid		(1,754,859)	(1,750,624)
Net cash flows used in financing activities		(1,754,859)	(1,750,624)
Net increase/(decrease) in cash and cash equivalents		119,704	(333,978)
Cash and cash equivalents at the beginning of the year		3,938,283	4,272,261
Cash and cash equivalents at the end of the year	6	4,057,987	3,938,283

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 ("AASB") 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 financial statements are presented in Australian Dollars, which is the Company'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 or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020

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:

Class of Fixed Asset Buildings 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

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

Accounting policy for lessors

Each lease is classified as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating leases

Underlying assets subject to operating leases are presented in the statement of financial position according to the nature of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished).

Finance leases

At the commencement date of a finance lease, the Group recognises a receivable (for assets held under the finance lease) at an amount equal to the net investment in the lease. The net investment in finance leases is the sum of the lease payments receivable by the Group under the finance lease and the estimated unguaranteed residual value of the underlying asset at the end of the lease term, discounted at the interest rate implicit in the lease.

Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in finance leases.

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 AASB 15 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

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 and other 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.

Financial liabilities classified as financial liabilities at fair value through profit or loss are subsequently measured at fair value. All other liabilities recognised by the Group are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

The Group's financial liabilities include trade and other payables.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

i. 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.

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").

Government Grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Grants relating to depreciable assets are credited to deferred income and are recognised in profit or loss over the period and in the proportions in which depreciation expense on those assets is recognised.

k. Goods and Services Tax

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

I. 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.

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 of goodwill for the year ended 30 June 2020.. The assumptions used in the estimation of recoverable amount are disclosed in Note 11.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

amount of the asset is determined. Non-financial assets have been assessed for impairment triggers as at 30 June 2020, and notwithstanding the general economic impacts of COVID-19, based on the relative value of non-financial assets and the expected continued stable financial performance of the Group, none has been identified.

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 2020 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 in 2018 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 24.

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.

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.

Fair value measurements

Certain financial assets are measured at fair value. Fair values have been determined in accordance with fair value measurement hierarchy. Refer to Note 24 for the details of the fair value measure key assumptions and inputs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 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 29.

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 Australian 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. The Group's policy is to obtain an independent valuation every 3 years and for the directors to perform an internal valuation for reporting periods in between the independent valuations. 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 Operating Segments 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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019. The new and revised Australian Accounting Standards noted below are considered to be the most relevant.

AASB 16 Leases

The Group has adopted AASB 16 Leases ("AASB 16") which replaced AASB 117 Leases ("AASB 17") 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.

The adoption of AASB 16 for the year ended 30 June 2020 did not have any impact on the transactions and balances recognised in the Group's financial statements. The existing lease arrangement as at 30 June 2019 expired on 1 April 2020. As a result, the Group adopted the exemption available in respect of short-term (less than 12 months) leases and was not required to recognise the existing lease as at the date of transition of 1 July 2019, and the previously disclosed lease commitments of \$120,582 all related to the existing lease. Since the 1 April 2020, the existing lease has been extended on a month to month basis in accordance with the existing lease terms subject to either party giving a minimum of 3 months' notice for ceasing the month to month arrangement. Hence the existing lease has continued to be treated as a short-term lease per the exemption available in AASB 16.

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. Consequently, there was also no impact on the Group's accounting policy as a lessor.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform (applicable for annual reporting periods beginning on or after 1 January 2020).

AASB 2019-3 has been issued to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate.

The reliefs apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 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 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (applicable for annual reporting periods beginning on or after 1 January 2022).

AASB 2020-1 amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

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

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (applicable for annual reporting periods beginning on or after 1 January 2022).

AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture as a consequence of the recent issuance by IASB of the following IFRS: Annual Improvements to IFRS Standards 2018-2020, Reference to the Conceptual Framework, Property, Plant and Equipment: Proceeds before Intended Use and Onerous Contracts – Cost of Fulfilling a Contract.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 2: Revenue from Contracts with Customers and Other Income

	2020	2019
Revenue	Ş	Ş
Registry fees	3,950,121	3,966,890
Client disbursements recovered	1,490,382	1,294,253
Total Revenue	5,440,503	5,261,143

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.

	2020	2019	
	\$	\$	
Other income			
Rental income	99,488	78,373	
Interest received	48,428	86,139	
Government grants	170,000	-	
Other income	7,002	3,246	
	324,918	167,758	

Note 3: Profit for the year includes the specific expenses		
	2020	2019
	\$	\$
Occupancy expenses		
Rent	120,582	165,844
Short- term lease	40,194	-
Other	100,071	87,034
Total Occupancy expenses	260,847	252,878
Administrative expenses		
Professional fees	35,303	33,974
Director fees	84,890	87,000
Salaries and wages	1,288,699	1,372,279
Superannuation	131,548	141,350
Other	382,763	234,396
Total Administrative expenses	1,923,203	1,868,999
Other operating expenses		
Postage, printing and stationery	1,123,502	1,139,106
Other	222,183	30,866
Total Other operating expenses	1,345,685	1,169,972
Depreciation and amortisation expenses		
Depreciation and amortisation of non-current assets	92,317	87,284
Total Depreciation and amortisation expenses	92,317	87,284
Impairment of goodwill	-	559
Total Expenses	3,622,052	3,379,692

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note	4:	Inco	me	Tax
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Trote 4. meome rux	2020 \$	2019 \$
a. The components of tax expense comprise:		
Current tax	661,019	577,201
Deferred tax	(33,945)	(8,749)
	627,074	568,452
	2020	2019
	\$	\$
b. Numerical reconciliation between aggregate tax		
expense recognised in the statement of profit or 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%	589,426	563,532
Non- assessable income	(13,750)	-
Non-deductible impairment of goodwill	(13,730)	154
Other non-allowable items	51,398	4,766
Deferred tax not recognised on tax losses	-	-
Aggregate income tax expense	627,074	568,452
The applicable weighted average effective tax rate is:	29.26%	27.74%
The applicable weighted average effective tax rate is.	25.20/0	27.7470
Note 5: Auditor's Remuneration		
	2020	2019
	\$	\$
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	30,450	30,974
Audit and review of the infancial report Audit of Share Registry Function for ASX requirements	3,000	3,000
Addit of Share negistry Edition for ASA requirements	3,000	3,000
Total auditor's remuneration	33,450	33,974

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 6: Cash and Cash Equivalents

	2020	2019
Current	\$	\$
Cash at bank and on hand	1,257,987	838,283
Cash on deposit	2,800,000	3,100,000
	4,057,987	3,938,283

The effective interest rate on short-term bank deposits was 0.97%; these deposits have a maturity of 120 days and 180 days. (2019: 1.44%)

Note 7: Trade and Other Receivables

	2020 \$	2019 \$
Current		
Trade receivables	994,824	1,073,296
Provision for expected credit losses of trade receivables	(250,467)	(174,840)
	744,357	898,456
Other receivables	40,877	37,849
	785,234	936,305

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 (n) *Critical Accounting Estimates and Judgments.* These amounts have been included in the other operating expenses item. Other than those receivables provided for, all amounts are expected to be recovered in full.

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

	Current trade receivables \$
Opening Balance as at 1 July 2018	233,464
Charge for the year	135,959
Amounts recovered and reversed	(194,583)
Amounts written off	<u> </u>
Closing Balance as at 30 June 2019	174,840
Opening Balance as at 1 July 2019	174,840
Charge for the year	132,721
Amounts recovered and reversed	(57,094)
Amounts written off	
Closing Balance as at 30 June 2020	250,467

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 an expected credit loss 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 expected credit loss by 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.

			Past Due but Not Impaired (Days Overdue)			
2020	Gross Amount \$	Past Due and Impaired \$	< 30 \$	31- 60 \$	61 – 90 \$	> 90 \$
Trade and term receivables Other receivables	994,824 40,877	250,467 -	667,518 40,877	50,076 -	26,763 -	<u>-</u>
Total	1,035,701	250,467	708,395	50,076	26,763	-
2019						
Trade and term receivables Other receivables	1,073,296 37,849	174,840 -	745,908 37,849	37,520 -	25,442 -	89,586 -
Total	1,111,145	174,840	783,757	37,520	25,442	89,586

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8: Other Assets

Note 8: Other Assets	2020 \$	2019 \$
Current	Ť	Ţ
Prepayments	46,764	27,983
Note 9: Property, Plant and Equipment		
	2020	2019
	\$	\$
Freehold land & Buildings – at fair value	825,000	825,000
Accumulated depreciation	(44,564)	(21,943)
	780,436	803,057
Plant and equipment – at cost	676,974	642,789
Accumulated depreciation	(401,659)	(428,770)
	275,315	214,019
Total property, plant and equipment	1,055,751	1,017,076

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.

		Plant and	
	Buildings	Equipment	Total
	\$	\$	\$
Balance at 1 July 2018	825,000	271,699	1,096,699
Additions	-	16,033	16,033
Depreciation expense	(21,943)	(54,607)	(76,550)
Assets written off	-	(19,106)	(19,106)
Transfer to Intangible assets	-	-	-
Revaluation	-	-	
Balance at 30 June 2019	803,057	214,019	1,017,076
•			
Additions	-	128,787	128,787
Depreciation expense	(22,621)	(54,282)	(76,903)
Assets written off	-	(13,209)	(13,209)
Balance at 30 June 2020	780,436	275,315	1,055,751

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 10: Investment Property

. ,	2020 \$	2019 \$
Balance at beginning of year Revaluation	2,150,000 -	2,150,000 -
Balance at end of year	2,150,000	2,150,000

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 \$99,488 (2019: \$78,373) reported under rental income. Direct operating expenses of \$22,579 (2019: \$20,869) were reported within other operating expenses.

The lease contract is a non-cancellable lease with a 5-year term (with 4 years remaining at balance date) with rent receivable monthly. Future minimum lease rentals are as follows:

	2020 \$	201 9 \$
No later than 12 months	99,493	99,488
Between 12 months and 5 years	298,480	397,973
	397,973	497,461
Note 11: Intangible Assets		

Note 11: Intangible Assets

Note 11. Intaligible Assets		
	2020	2019
	\$	\$
Goodwill – at cost	1,071,481	1,070,922
Goodwill on acquisition of subsidiary	-	559
Accumulated impairment	(17,791)	(17,791)
Net carrying amount	1,053,690	1,053,690
Client book acquired – at cost	2,002,010	2,002,010
Accumulated amortisation	(2,002,010)	(2,002,010)
Net carrying amount	_	
Other Intangibles – at cost	78,988	78,038
Accumulated amortisation	(31,548)	(16,134)
Net carrying amount	47,440	61,904
Total intangibles	1,101,130	1,115,594

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*).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2018	1,053,690	-	29,180	1,082,670
Additions	559	-	44,125	44,684
Amortisation expense	-	-	(10,734)	(10,734)
Impairment expense	(559)	-	-	(559)
Assets written off	-	-	(667)	(667)
Transfer from Property,				
plant and equipment	-	-	-	-
Balance at 30 June 2019	1,053,690	-	61,904	1,115,594
Additions	-	-	950	950
Amortisation expense	-	-	(15,414)	(15,414)
Balance at 30 June 2020	1,053,690	-	47,440	1,101,130

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:

	Growt	Growth Rate		Discount Rate	
	2020	2019	2020	2019	
Share registry	1.00%	1.00%	6.00%	6.09%	

For the year ended 30 June 2020 and 2019, 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 the Directors' 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 have 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.

N	ote	12.	Tax
14	ULE		Ian

	2020 \$	2019 \$
Current		
Income tax payable	170,822	77,295

Non-Current

	Opening Balance \$	Charged to profit or loss \$	Charged to Equity \$	Closing Balance \$
Deferred Tax Liability				
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
Balance at 30 June 2019	480,534	(3,953)	-	476,581
Accrued Income Accumulated Depreciation	2,636	(1,136)	-	1,500
Pitt St	(6,034)	(6,221)	-	(12,255)
Revaluation of property in	, , ,	, , ,		, , ,
equity	177,479	-	-	177,479
Revaluation of property in				
profit	302,500	-	-	302,500
Balance at 30 June 2020	476,581	(7,357)	<u>-</u>	469,224

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Opening Balance \$	Charged to profit or loss \$	Charged to Equity \$	Closing Balance \$
Deferred Tax Assets				
Provisions and Accrued expenses	188,578	4,794	-	193,372
Property, plant and equipment	-	-	-	-
Balance at 30 June 2019	188,578	4,794	-	193,372
Provisions and Accrued expenses	193,372	26,588	-	219,960
Property, plant and equipment	-	-	-	-
Balance at 30 June 2020	193,372	26,588	-	219,960
-			2020 \$	2019 \$
Deferred income tax at 30 June rela i) Deferred tax liabilities	tes to the follo	wing:	·	·
Accrued income			1,500	2,636
Depreciation adjustment from reva	luation of prop	erty	(12,255)	(6,034)
Revaluation of property in profit			302,500	302,500
Revaluation of property in equity		_	177,479	177,479
Net deferred tax liabilities		_	469,224	476,581
ii) Deferred tax assets				
Superannuation liability			8,225	10,296
Accruals			27,390	36,803
Provisions:				
Expected credit loss			68,878	48,081
Long service leave			40,279	32,101
Annual leave			75,188	66,091

The Group has unused tax losses of \$27,291 giving rise to a deferred tax asset of \$7,505 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 13: Trade and other payables

Net deferred tax assets

Total net deferred tax

	2020 \$	2019 \$
Current		
Trade creditors and accruals	314,083	345,231

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

193,372

283,209

219,960

249,264

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note	14:	Provisions

Note 14: Provisions			
	Employee	Provision for	
	Benefits	Dividend	Total
	\$	\$	\$
Opening balance at 1 July 2019	357,060	25,410	382,470
Additional provisions	133,438	2,629	136,067
Amounts used	(70,617)	-	(70,617)
Balance at 30 June 2020	419,881	28,039	447,920
Analysis of total provisions			
		2020	2019
		\$	\$
Current liabilities - provisions			
Annual leave		273,412	240,331
Provision for dividend		28,039	25,410
Long service leave		129,402	107,638
<u> </u>		430,853	373,379
Non-current liabilities - provisions			, , , , , , , , , , , , , , , , , , ,
Long service leave		17,067	9,091
Note 15: Issued Capital			
The second confidence of the second confidence		2020	2019
		\$	\$
42,746,500 fully paid ordinary shares at the begin	ning of		
the reporting period		6,034,140	6,034,140
220,000 Shares issued during the year for nil			
consideration(i)		158,400	
42,966,500 fully paid ordinary shares at reporting	date	\$6,192,540	\$6,034,140
		No.	No.
a. Ordinary Shares		140.	140.
		42 746 706	40.746.500
At the beginning of the reporting period	. (*)	42,746,500	42,746,500
Shares issued during the year for nil consideration	1(1)	220,000	-
At reporting date		42,966,500	42,746,500

⁽i) Pursuant to the Annual General Meeting held on 7 November 2019, 220,000 ordinary shares were issued at nil consideration, but at fair value of \$158,400, to Directors of the Group in respect of remuneration. See Note 16 for further details.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

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 16: Share-based Payments

Shares granted to directors as share-based payments:

Grant Date Number

7 November 2019 220,000

At the 2019 Annual General Meeting held on 7 November 2019, shareholders approved the issue of shares to all the Directors for nil consideration representing an adjustment to the directors' remuneration for the year ending 30 June 2020 within their fee pool. The adjustment to the directors' remuneration was in recognition of their continued service to the Group given duties and responsibilities have increased. Accordingly, 220,000 fully paid ordinary shares were issued on 13 November 2019.

The issue of the ordinary shares for nil consideration represents a share-based payment in accordance with Australian Accounting Standards. An expense to the Group is required to be recognised representing the fair value of the ordinary shares at grant date. The fair value was determined by reference to the quoted market price as at 7 November 2019, resulting in a total expense of \$158,400 being recognised in full for the half-year ended 31 December 2019 as there were no vesting conditions attached.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

Grant Date	Number	Vesting Date
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 KMP.

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:

	Number	Weighted Average Exercise Price
Performance rights outstanding as at 1 July 2019	27,000	\$0
Granted	-	-
Forfeited	14,000	\$0
Exercised	-	-
Expired	-	-
Performance rights outstanding as at 30 June 2020	13,000	\$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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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: \$0.6864

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 \$271 which relates to the above equity instruments as they are expensed over the vesting period (2019: \$7,414).

Note 17: 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

	2020 \$	2019 \$
Balance at beginning of the year Increase in fair value	591,863 -	591,863 -
	591,863	591,863

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

2020 \$	2019 \$
8,653	1,239
271	7,414
8,924	8,653
	\$ 8,653 271

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 18: Cash flow information

Note 18. Cash now information	2020 \$	2019 \$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax Non cash flows in profit:	1,516,295	1,480,757
Share based payments	158,400	-
Employee performance rights	271	7,414
Depreciation and amortisation	92,317	87,284
Impairment	-	559
Loss on disposal of assets	13,209	20,437
	1,780,492	1,596,451
Changes in equity as a result of adjustments in reserves Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	122,995	(82,337)
(Increase)/decrease in prepayments	(18,780)	3,395
Increase/(decrease) in trade payables and accrual	(30,324)	18,401
Increase/(decrease) in income taxes payable	93,527	(78,495)
(Increase)/Decrease in deferred tax assets	(26,588)	(4,795)
Increase/(decrease) in deferred tax liabilities	(7,357)	(3,953)
Increase/(decrease) in provisions	62,835	26,513
	1,976,800	1,475,180

Note 19: Events after the Reporting Period

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 \$859,590 was paid on 20 August 2020.

13,000 ordinary shares were issued on 30 July 2020 to relevant employees who met the performance rights conditions and exercised their right to acquire the shares.

Except for the matters 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 20: Capital and leasing commitments

Commitments in respect of short-term lease arrangements

The following information relates to lease arrangements as at 30 June 2020 that are presented in accordance with the accounting standard AASB 16 *Leases* which is applicable for the first time for the year ended 30 June 2020.

	2020
	\$
not later than 12 months	40,194

Commitments in respect of non-cancellable operating lease (30 June 2019)

The following information relates to non-cancellable operating lease arrangements of the prior year reporting period only, and is presented in accordance with the predecessor accounting standard AASB 117 Leases.

	2019 \$
not later than 12 months	120,582
between 12 months and 5 years	-
later than 5 years	
	120,582

The property lease was originally 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 original lease ended on 1 April 2020 and due to the present uncertainty around the pandemic period, the lease has been extended on month to month basis in accordance with the existing lease terms subject to either party giving a minimum of 3 months notice for ceasing the month to month arrangement.

Note 21: Contingent Liabilities

The Group has no known or identifiable contingent liabilities.

Note 22: Financial Instruments

Categories of Financial Instruments

Financial assets	2020 \$	2019 \$
Amortised cost Cash and cash equivalents	4,057,987	3,938,283
Trade and other receivables	785,234	936,305
Total financial assets	4,843,221	4,874,588

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
Financial liabilities	\$	\$
Amortised cost		
Trade and other payables	214,484	211,138
Total financial liabilities	214,484	211,138

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 24 (a).

Note 23: 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 receivablestrade and other payablesdeposits

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 2020

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 (S&P: AA-), 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 2020.

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

	2020 \$	2019 \$
Trade and other receivables	785,234	936,305
Cash and cash equivalents	4,057,987	3,938,283

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 2020

Financial liability and financial asset maturity analysis

	Within 1 Year		ear Total	
	2020	2019	2020	2019
	\$	\$	\$	\$
Financial liabilities due for payment				
Trade and other payables	214,484	211,138	214,484	211,138
Total expected outflows	214,484	211,138	214,484	211,138
Financial assets – cash flows realisable				
Cash and cash equivalents	4,057,987	3,938,283	4,057,987	3,938,283
Trade and other receivables	785,234	936,305	785,234	936,305
Financial assets at fair value through profit or	,	•	,	•
loss	-	-	-	-
Total anticipated inflows	4,843,221	4,874,588	4,843,221	4,874588
Net inflow on financial instruments	4,628,737	4,663,450	4,628737	4,663,450

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 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 Pa	Rate Payable Notional Pr		
Maturity of notional amounts:	2020	2019	2020	2019
Less than 1 year	0.97%	1.79%	\$4,057,987	\$3,938,283
	0.97%	1.79%	\$4,057,987	\$3,938,283

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

	2020	2019
Change in profit	\$	\$
 Increase in interest rate by 1% 	40,000	39,000
- Decrease in interest rate by 1%	(40,000)	(39,000)
Change in equity		
 Increase in interest rate by 1% 	40,000	39,000
- Decrease in interest rate by 1%	(40,000)	(39,000)

Note 24: Fair Value

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Financial assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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 directory 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 2020.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

a. 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.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2020				
Property, plant and equipment				
- Owner occupied office	-	-	825,000	825,000
Investment property				
- Office let to third party	-	-	2,150,000	2,150,000
	Level 1	Level 2	Level 3	Total
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2019				
2019 Property, plant and equipment				
Property, plant and equipment			\$	\$

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.

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 2020 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 2020 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, which may include matters such as the property's physical condition or the impact of any regulation governing the ability

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

to use or change 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:

	Property, Plant and Equipment \$	Investment Property \$
Opening balance at 1 July 2018	467,356	1,408,353
Total gains or losses for the period in profit or loss	, , , , , ,	,,
Gain on revaluation of investment property	-	-
Total gains or losses for the period in other comprehensive income		
Revaluation of owner-occupied property	-	-
Balance at 30 June 2019	467,356	1,408,353
Balance at 30 June 2020	467,356	1,408,353

Total amount included in profit or loss for unrealised gain on Level 3 assets for Property, Plant and Equipment for 2020: nil (2019: nil) and for Investment Property in 2020: nil (2019: nil)

Note 25: 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.

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 2020 for accounting and secretarial services, was \$51,513 including GST (2019: \$58,740). The amount owing to Winduss & Associates Pty Ltd at 30 June 2020 is \$9,350 (2019: \$8,250).

Tenancy Agreement Cherry Field Pty Ltd

On 1 April 2014, the Group entered into a lease agreement for a premises from which to conduct Group operations, with Cherry Field Pty Ltd, a Company owned and controlled by an associate of Mr Chong. The Group has incurred \$176,854 including GST for the year ended 30 June 2020 (2019: \$184,680) with

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

no amount outstanding at 30 June 2020 (2019: nil). Refer to Note 20 for details of the lease terms and conditions.

Note:	26:	Earnings	per	share
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Note Lot Lamming per smare	2020	2019
Familian and in the coloulation of FDC	\$	\$
Earnings used in the calculation of EPS		
Profit	1,516,295	1,480,757
Earnings per share	0.50	2.46
Basic earnings per share	3.53c	3.46c
Diluted earnings per share	3.53c	3.46c
	2020	2019
	2020 No.	2019 No.
Weighted average number of ordinary shares outstanding during	NO.	NO.
the year used in calculating basic EPS	42,966,500	42,746,500
Weighted average number of dilutive rights outstanding	13,000	15,756
Weighted average number of ordinary shares used in calculating		<u> </u>
diluted EPS	42,979,500	42,762,256
Note 27: Dividends		
	2020	2019
Distributions paid	\$	\$
Final fully franked dividend of 2.00 cents (2019: 2.10 cents) per share		
franked at the tax rate of 27.5%	854,930	897,677
Interim dividend fully franked of 2.10 cents (2019: 2.00 cents) per share		
franked at the tax rate of 27.5%	902,297	854,930
<u>-</u>	1,757,227	1,752,607
E: 16 H 6 1 1 H: 1 1 62 00 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Final fully franked dividend of 2.00 cents declared subsequent to 30		
June 2020 (2019: 2.00 cents) per share franked at the tax rate of 27.5%	859,590	854,930
27.570	033,330	03 1,330
Balance of franking account at year end adjusted for franking credits		
arising from:	1,441,216	1,446,731
Payment of provision for income tax		
Subsequent to year end, the franking account would be reduced by	(226.051)	(224 204)
the proposed dividend as follows:	(326,051)	(324,284)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 28: Interests of 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 KMP for the year ended 30 June 2020.

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

	2020	2019
	\$	\$
Short -term employee benefits	244,856	270,475
Post-employment benefits	24,237	29,706
Equity-settled Share-based payments	158,400	-
Long -term benefits	-	-
	427,493	300,181

Note 29: Controlled Entities

Set out below are the Group's controlled entities at 30 June 2020. 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	•		p Interest he Group	Proportion of Non- controlling Interests	
		2020	2019	2020	2019
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%	51%	49%	49%

Note 30: 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.

	2020	2019
Statement of Profit or Loss and Other Comprehensive Income	\$	\$
Total profit	1,531,316	1,491,366
Total other comprehensive income, net of tax	-	-
Total Comprehensive Income for the year	1,531,316	1,491,366

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Statement of Financial Position	2020 \$	2019 \$
ASSETS		
Current Assets	4,947,202	4,951,050
Non-current Assets	4,497,602	4,440,952
TOTAL ASSETS	9,444,804	9,392,002
LIABILITIES Current Liabilities Non-current liabilities TOTAL LIABILITIES	916,460 486,291 1,402,751	797,037 485,672 1,282,709
EQUITY Issued Capital Retained earnings	6,192,540 1,849,513	6,034,140 2,075,153
TOTAL EQUITY	8,042,053	8,109,293

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 2020, the parent had not entered into any contractual commitments for the acquisition of property, plant and equipment (2019: Nil).

Note 31: 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 one single external customer that accounts for more than 10% of its income, a further group of 6 customers, each exceeding 2% of the Group's income, accounts for approximately 30% (2019: 9 customers each exceeding 2% of the Group's income accounted for 28%) of the Group's income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Share Registry Services		Property In	vestment	Consolidated		
	2020	2019	2020	2019	2020	2019	
	\$	\$	\$	\$	\$	\$	
Revenue							
Sales to customers outside							
the Group	5,440,503	5,261,143	-	-	5,440,503	5,261,143	
	E 440 E02	F 264 442			F 440 F02	F 264 442	
Total Revenue =	5,440,503	5,261,143	-	-	5,440,503	5,261,143	
Other income from							
customers outside the Group	7,002	3,246	99,488	78,373	106,490	81,619	
Government grants	170,000	-	-	-	170,000	-	
Interest revenue	48,428	86,139	-	-	48,428	86,139	
Depreciation and							
amortisation	(92,317)	(87,284)	-	-	(92,317)	(87,284)	
Impairment loss	-	(559)	-	-	-	(559)	
Segment net operating profit							
before tax	2,066,460	1,991,705	76,909	57,504	2,143,369	2,049,209	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Share Registry Services		Property I	Investment	Consolidated		
	2020	2019	2020	2019	2020	2019	
	\$	\$	\$	\$	\$	\$	
Segment Assets	7,046,866	7,035,241	2,150,000	2,150,000	9,196,866	9,185,241	
Reconciliation of segment assets to total assets							
Segment assets					9,196,866	9,185,241	
Deferred tax assets					219,960	193,372	
Total assets					9,416,826	9,378,613	
Segment Liabilities	932,825	804,996	<u>-</u>	<u>-</u>	932,825	804,996	
Reconciliation of segments liabilities to total liabilities							
Segment liabilities					932,825	804,996	
Deferred tax liabilities					469,224	476,581	
Total liabilities					1,402,049	1,281,577	

DIRECTORS' DECLARATION

- 1. In the opinion of the Directors of Advanced Share Registry Limited ("Company") and its controlled entities ("Group"):
- (a) the financial statements and notes set out on pages 13 to 60 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 2020 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 2020.

Signed in accordance with a resolution of the Directors.

Simon Cato

Chairman of Directors

Signed at Perth on 25 September 2020



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 2020, 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 2020 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 (including Independence Standards)* (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.



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

Key Audit Matter

How our audit addressed the key audit matter

Recoverability of non-current assets

Refer to Note 9, Note 11 and Note 12 to the financial report.

Included in the consolidated statement of financial position as at 30 June 2020 is an amount for \$2,376,841 relating to noncurrent assets (excluding investment properties). This amount represents 25.24% of total assets.

AASB 136 Impairment of Assets ("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.

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:

- growth rate assumptions; and
- discount factors

supporting the expected future cash flows of the business and the utilisation of the relevant assets.

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.

Our procedures included, amongst others:

Obtaining an understanding of and evaluating the processes and controls associated with the assessment of the Group's Share registry CGU.

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.

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.

Performing sensitivity analysis on the key assumptions and estimates.

Testing the mathematical accuracy of the model.

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

Revenue recognition

Refer to Note 2 to the financial report.

Included in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2020 is an amount for \$5,440,503 relating to revenue, split between registry fees and client disbursement recovered.

Revenue related to registry fees, representing 72.6% of the Group's total

Our procedures included, amongst others:

Obtaining an understanding of and evaluating the processes and controls associated with the treatment of revenue.

Performing analytical procedures for revenue and obtaining explanations from



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

revenue, is recognised over the period the service is provided in accordance with the requirements of AASB 15 *Revenue from contracts with customers* ("AASB 15").

management and corroborating evidence where movements were identified outside of our expectation.

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.

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.

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

Carrying value of properties held at fair value

Refer to Note 9 and Note 10 to the financial report.

Included in the consolidated statement of financial position as at 30 June 2020 is an amount for \$2,930,436 relating to the Group's properties held at fair value. This amount represents 31.11% of total assets.

Although considered to be non-complex in nature, the Group's properties held at fair value are classified under Australian 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 2020. 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 2020 pursuant to the requirements of Australian Accounting Standards.

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



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

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 2020, 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 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.



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

- 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.
- 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, actions taken to eliminate threats or safeguards applied.

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 7 to 10 of the directors' report for the year ended 30 June 2020. In our opinion, the Remuneration Report of Advanced Share Registry Limited, for the year ended 30 June 2020, 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.



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

Pitcher Portners BAXA PTY LTD

PITCHER PARTNERS BA&A PTY LTD

PAUL MULLIGAN Executive Director

Perth, 25 September 2020

SHAREHOLDER INFORMATION

(Current as at 14 September 2020)

	Name		Number of Shares	Percentage of Issued Capital	
	KMC Automation Pty Ltd		24,126,734	56.13%	
	Washington H Soul Pattinson		4,494,726	10.45%	
	Pacific Custodians Pty Ltd		3,508,577	8.16%	
В.	Distribution of Fully Paid Ordinary Shares				
	i) Distribution Schedule of Holdings	Holders	Number of Shares	Percentage of Issued Capital	
	1-1000	54	26,203	0.06%	
	1,001-5,000	92	332,294	0.77%	
	5,001-10,000	64	576,717	1.34%	
	10,001-100,000	152	4,910,451	11.42%	
	100,101 and over	23	37,133,835	86.39%	
	Total number of holders	385	42,979,500	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	24,126,734	56.13%
2	Washington H Soul Pattinson and Company Ltd	4,494,726	10.45%
3	Pacific Custodians Pty Ltd	3,508,577	8.16%
4	The Australian Superannuation Group (WA) Pty Ltd	645,050	1.50%
5	Hutchison Family Super	614,380	1.43%
6	Richard Isles	480,000	1.11%
7	Simon Cato	405,000	0.94%
8	British Columbia Superfund	348,500	0.81%
9	Bond Street Custodians Ltd	308,422	0.71%
10	Tan Family Superfund	255,000	0.59%
11	Alan Winduss	235,000	0.54%
12	The Number 69 Prov Fund	225,000	0.52%
13	WJK Superannuation Fund	217,182	0.50%
14	The Moore Superfund	190,664	0.44%
15	Synchronised Software Pty Ltd	177,500	0.41%
16	Bruce Fryer and Peta Fryer	157,000	0.36%
17	Ostle International Pty Ltd	135,500	0.31%
18	Batten Superfund	125,000	0.29%
19	The John Mckay Superfund	125,000	0.29%
20	United Overseas Australia Ltd	125,000	0.29%

