HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

ABN: 90 091 302 975

TABLE OF CONTENTS

CORPORATE DIRECTORY

Directors
Mike Hill– Executive Chairman
Mike Everett - Non-Executive Director
Michael Pollak – Non-Executive Director
Brett Chenoweth – Managing Director

Company Secretary
Andrew Whitten

Auditors
Stantons International
Level 2
1 Walker Avenue
West Perth WA 6005

Solicitors
Whittens Lawyers and Consultants
Level 5
137 – 139 Bathurst Street
Sydney NSW 2000

Bankers
Westpac Banking Corporation
94 Church Street
Middle Brighton
VIC 3186

Registered Office
Level 5
137 – 139 Bathurst Street,
Sydney NSW 2000

Share Registry
Link Market Services Limited
Central Park
Level 4
152 St Georges Terrace
Perth WA 6000
Investor Enquiries: 1300 554 474
Facsimile: +61 2 9287 0303

Stock Exchange Listing
Securities of HJB Corporation Limited are listed on the Australian Securities Exchange (ASX).
ASX Code: HJB

Website: hjbcorporation.com.au

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited)(**HJB** or the **Company**) and the entities it controlled (the **Group**) at the end of the financial year ended 30 June 2013.

Directors

The following persons were Directors of the Company during or since the end of the financial year are:

Name	Particulars
Mr J Goss	Independent Non Executive Chairman(Resigned 25 June2013)
Mr G Doyle	Executive Chairman(Appointed 21May 2012 and resigned 7 July2014)
Mr M Hedge	Independent Non Executive Director (Resigned 25 June 2013)
Mr L Fernandes	Non Executive Director (Resigned 7 July 2014)
Mr P Colaco	Non Executive Director (Appointed 25 June 2013 and resigned 7 July 2014)
Mr R Walters	Executive Director (Appointed 25 June 2013 and resigned 7 July 2014)
Mr Mike Hill	Executive Chairman (Appointed 7 July 2014)
Mr Mike Everett	Non Executive Director (Appointed 7 July 2014)
Mr Michael Pollak	Non Executive Director (Appointed 7 July 2014)
Mr Brett Chenoweth	Managing Director (Appointed 7 July 2014)

The above named Directors held office during and since the financial year, except as otherwise indicated.

Information on Directors

Mike Hill

Experience and Expertise

Mike is a former partner of Ernst & Young M&A Sydney, has been a senior member of the investment team at Ironbridge since 2004 and a Partner of the firm since 2009. Ironbridge is a leading domestic private equity firm with $1.5bn of funds under management. Mike has experience across numerous industries where he has served on boards including retail (Barbeques Galore), healthcare (Healthbridge, Repromed and Monash IVF), media (Radioworks Ltd and TVWorks Ltd, waste services (Envirowaste NZ Ltd), tourism and hospitality (RTG Group) and manufacturing (Riviera Group).He is a member of the Institute of Charters Accountants Australia.

Other Current Directorships

INT Corporation Limited (Chairman)
Rhype Limited (Chairman)

Former Directorships in the Last Three Years

None

Special Responsibilities

Chairperson

Interests in Shares and Options

None

Mike Everett

Experience and Expertise

Michael Everett has more than 25 years of capital markets and advisory experience. He retired from Goldman Sachs in 2013 after 11 years where he was a Managing Director and Co-head of the financing group with the Investment Banking Division in Australia. Prior to joining Goldman Sachs he also worked internationally for a large investment bank and has broad experience across the securities industry. During his career, he has advised a broad range of companies in a variety of industries. In late 2013 he established an independent capital markets advisory firm, Reunion Capital Partners.

Other Current Directorships

INT Corporation Limited (Non-executive director)
Rhype Limited (Non-executive director)

Former Directorships in the Last Three Years

None

Special Responsibilities

None

Interests in Shares and Options

None

Information on Directors (Continued)

Michael Pollak

Experience and Expertise

Michael holds a Bachelor of Commerce, is a Chartered Accountant and has an MBA in strategy from the Australian Graduate School of Management. Michael commenced his career at PricewaterhouseCoopers over 15 years ago. Michael has gained valuable experience in both Sydney and London in general management, audit, insolvency, corporate advisory and strategy across a wide range of industries, including financial services, professional services, retail, mining and manufacturing. Michael has been involved in the restructuring, recapitalisation and relisting of a number of ASX listed entities.

As at the date of this report, Mr Pollak does not have a direct or indirect interest in the Company.

Other Current Directorships
Montech Holdings Limited (Non-executive director)
Former Directorships in the Last Three Years
Disruptive Investment Group Limited (Non-executive director)
Rhype Limited (Non-executive director)
Prospect Resources Limited (Non-executive director)
PLD Corporation Limited (Non-executive director)
Special Responsibilities
None
Interests in Shares and Options
None

Brett Chenoweth

Experience and Expertise

Brett was most recently the Chief Executive Officer and Managing Director of APN News and Media Limited. He has more than 20 years of professional experience working exclusively in the areas of media, technology, telecommunications and online businesses, having also held senior executive roles at Telecom New Zealand (including Head of Group Strategy and Mergers & Acquisitions; Head of Australian Consumer Group; Director on a number of TCNZ group company Boards), the Publishing and Broadcasting Limited group (ecorp Ltd and ninemsn Pty Ltd: Head of Business Development) and Village Roadshow Pictures Pty Ltd (General Manager and Vice President). Brett has been a director of a number of private and public companies over the past 15 years in the media, telecommunications, technology and entertainment sectors, both in Australia, New Zealand, Asia and the United States. He is currently Chairman of Yellow Pages Group (NZ).

As at the date of this report, Mr Chenoweth does not have a direct or indirect interest in the Company.

Other Current Directorships
None
Former Directorships in the Last Three Years
None
Special Responsibilities
None
Interests in Shares and Options
None

Company Secretary

L Fernandes (Joint secretary)	Resigned 7 July 2014
R Jeevakan (Joint secretary)	Resigned 25 June 2013
R Waters (Joint secretary)	Appointed 25 June 2013 and resigned 7 July 2014
Andrew Whitten	Appointed 7 July 2014

Principal activities

The Group's principal activities during the financial year consisted of the provision of recruitment services.

Dividends

No dividends are to be paid for the year ended 30 June 2013. No dividends were paid for the year ended 30 June 2012.

Review of operations

The Company commenced trading on the Australian Securities Exchange on 12 September 2000. The Company was suspended from trading on ASX on 2 September 2013 at its request, and the Companyand all its Australian controlled subsidiaries were placed into voluntary administration. Prior to the appointment of the Administrator, the previous directors sold certain of the Company's assets as announced on the ASX on 12 September 2013.

The Company changed its name from Hamilton James & Bruce Group Limited to HJB Corporation Limited with effect from 23 June 2014 after Company's shareholders approved the resolution at an Extraordinary General Meeting.

Because of these events, the assets have been written down to their realisable values in the Statement of Financial Position and liabilities have been recorded at the amounts for which proofs of debt are expected by the Administrator.

The loss after income tax for the financial year was $14,155,000 (2012: profit of $627,000).

Significant changes in the state of affairs

The Company was suspended from trading on ASX on 2 September 2013 at its request and on 12 September 2013, Scott Turner was appointed as the Administrators of the Group and assumed control of the Group and their business, property and affairs. Prior to the appointment of the Administrator, the previous directors sold certain of the Company's assets as announced on the ASX on 12 September 2013.

Because of these events assets have been written down to their realisable values in the Statement of Financial Position and liabilities have been recorded at the amounts for which proofs of debt are expected by the Administrator.

Significant events after balance date

The Company was suspended from trading on ASX on 2 September 2013 at its request and on 12 September 2013, Scott Turner was appointed as the Administrators of the Group and assumed control of the Group and its business, property and affairs.

The Administrator subsequently advertised, sought and negotiated proposals to reconstruct the Company with interested parties. Pager Partners put forward a recapitalisation proposal which was accepted at a meeting of the Company's creditors on 4 December 2013. The Deed of Company Arrangement (DOCA) was signed on 24 December 2013.

Under the Proposal, it was agreed that the Company would pay $200,000 to the Deed Administrator for distribution under the DOCA to the Creditors' Trust in return for secured and unsecured creditors releasing all claims against the Company and their charge over the Company. Prior to the appointment of the Administrator, the previous directors sold certain of the Company's assets as announced on the ASX on 12 September 2013, however under the Proposal certain unencumbered assets were retained by the Company. A Creditors' Trust Deed has been established pursuant to the DOCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. The syndicate led by Pager Partners loaned the Company $200,000 in order to effectuate the DoCA. This occurred on the 7 July 2014.

Under the Proposal, the Company is to issue up to 270,000,000 fully paid ordinary shares and up to 70,000,000 options exercisable at $0.0025 cents per option, to raise up to $1,651,750 before the costs of the Proposal, as well as 40,500,000 management options. On 23 June 2014 the Company's shareholders approved the issue of the shares at an Extraordinary General Meeting.

The Directors are currently working towards the restructure and recapitalisation of the Company and liaising with the ASX in relation to the reinstatement of the Company'ssecurities for trading on the ASX.

Significant events after balance date (Continued)

The Company resolved to retrospectively change its reporting date to 30 June of each financial period. Accordingly, these financial statements are for the 12 months ended 30 June 2013.

Directors' meetings

Due to the appointment of the Administrator on 12 September 2013 to the Company, information on the attendance at Directors' meetings is not available.

Environmental regulation

The Group is not subject to any significant environmental regulations.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Insurance of directors and officers

Due to the Group entering administration on the 12 September 2013, the Directors D & O insurance premium was consequently not renewed. It is the intention of the current Directors of the Company to ensure an adequate premium in respect of insuring the Directors of the Group, the Group secretary, and all executive officers of the Group and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

Auditor independence

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 54 of the financial report.

Non-audit services

The following non-audit services were provided by the Company's auditor, Stantons International (2012: Page, Harrison & Co. Chartered Accountants). The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence has not been compromised.

Stantons International did not receive and are not due to receive any fees for the provision of non-audit services in 2013. In 2012 Page, Harrison & Co. Chartered Accountants received $11,022 for taxation services and $8,886 for advisory services.

Rounding of amounts

The Company is of a kind referred to in ASIC Class Order 98/100, issued by Australian Securities and Investments Commission, relating to the "rounding of" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Group since it entered into voluntary administration on 12 September 2013.

The financial report was prepared by Directors who were not in office at the time the Group entered voluntary administration nor were they in office for the full periods presented in this report. The Directors who prepared this financial report were appointed on 7 July 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Group for the period prior to the appointment of the Administrators.

Incomplete records (Continued)

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position.

REMUNERATION REPORT (Audited)

The remuneration report below reflects the remuneration policies that were adopted by the directors of the Company who were in office prior to the company entering administration. These policies applied until the Company entered voluntary administration on 12 September 2013. On entering administration, the Administrators were responsible for the remuneration policies of the Company.

The directors who are in office at the date of this report had no involvement in adopting, implementing or complying with these remuneration policies. These policies may or may not have been in place during the financial period.

If the recapitalisation proposal is successful, the directors who are in office at the date of this report will adopt a new remuneration policy.

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share based compensation disclosure
E. Additional information

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act 2001.

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

To successfully achieve its financial and operating objectives, the Company needs to ensure its reward for performance is competitive and appropriate for the results delivered. The Group has a framework that aligns Executive rewards with the achievement of Group strategic objectives which in turn are aligned to shareholders' interests. The Board ensures that Executive reward practices satisfy the following key criteria:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage; and
- transparency

The remuneration framework for senior Executives is based on the attainment of both financial and non-financial hurdles. Both the financial and non-financial hurdles are set out annually, and are:

Aligned to shareholders' interest:

- economic profit is at the core of the plan
- focuses on growth in total shareholder return through dividends and increasing earnings per share ; and
- attracts and retains high calibre Executives.

Aligned to participants:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth; and
- provides a clear structure for earnings rewards.

REMUNERATION REPORT (Audited) (Continued)

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION (Continued)

The framework provides a mix of fixed and variable components. The overall level of Executive reward takes into account both the segmented business units and the consolidated Group's performance, maintaining a link between shareholder wealth and participant performance. The Senior Management team forfeit a percentage of their bonuses if the Group as a whole does not achieve forecast results.

B. DETAILS OF REMUNERATION

Non-Executive Directors

Remuneration of Non-Executive Directors reflects the demands on, and responsibilities of, these Directors. The base remuneration of each Director is inclusive of committee fees.

Executive pay

The Executive pay and reward framework has 2 components:

- Base pay and benefits (including superannuation); and
- Short term performance incentive.

Base pay

Each Executive is offered a competitive fixed base pay. The fixed amount can be utilised as a combination of cash and prescribed non cash benefits to be chosen as the Executive discretion.

Remuneration for Consultants consists of base pay (plus superannuation) and commissions based on net revenue billings.

Short term incentive (STI)

Should business units achieve pre-determined financial targets then a short term incentive (STI) becomes available for distribution to certain senior staff as authorised in the ESP. Cash bonuses are payable quarterly. Using a profit target ensures variable reward is only available when value has been created for shareholders. The STI is leveraged for performance above the threshold to provide additional incentives for Executives to out-perform.

STI targets vary among Executives depending on the level of responsibility, accountability and the impact on the organisation. To ensure alignment with shareholder's needs, consideration of appropriate targets and key performance indicators (KPIs) are linked to the STI plan on an annual basis. This assessment includes setting maximum payouts and minimum levels of performance to meet the STI threshold.

Employee Share Plan (ESP)

The employee share plan involves the issue of unconditional and conditional shares to senior executives, so as to align the interest of senior executives with those of the shareholders.

The employee share plan has a number of layers. Firstly, a certain number of shares were issued immediately and unconditionally, to the most senior executives in the Company. There is also a provision for shares to be issued as "sign on" for new senior executives. Secondly, the plan contains cascading performance hurdles tied to the overall performance of the Company as whole as well as to areas of responsibility for the senior executive concerned. These hurdles are considered to be a good balance between incentivising the senior executives and returning the Company to profitability. The plan also has a requirement that the senior executive remain with the Company until pre-agreed dates for the shares to vest.

C. SERVICE AGREEMENTS

Remuneration and other terms of employment for the key management personnel are formalised in service agreements. From 1 June 2006 the agreements for the key management personnel provide for the STI scheme and the cash bonus scheme as disclosed. Please refer below Remuneration Report Clause *E. Additional Information Related Parties for Service Agreements*.

REMUNERATION REPORT (Audited) (Continued)

D. SHARE BASED COMPENSATION DISCLOSURE

All share based compensation has been disclosed in Part B of the Directors' Report. There have been no other share based compensation payments.

Share based compensation options

No options were grated during the current or previous financial year.

E. ADDITIONAL INFORMATION: RELATED PARTIES

The Board has approved the following Service Agreements between Related Parties.

- A Service Agreement exists between the Company and Charterhouse Partnership (Australia), an Associated Company, for the provision to HJB of the services of their staff on the following basis:
    - The provision of a shared tender-writing employee. The fee is calculated at cost based on salary and payroll on-costs and on the basis of time worked and is managed by signed timesheets.
    - The provision of a shared Chief Executive Officer (CEO) (Mr Robin Jerome). The fee is calculated based on a flat fee of $500,000 per annum. This flat fee would cover the cost of the CEO's salary, bonus and payroll on-costs. The fee charged for this service up to the date of his resignation (21 May 2012) was $$440,860. This fee no longer applies as a result of Mr Jerome's resignation.
- A Service Agreement exists between the Company and Charterhouse Pte Ltd (a Singaporean company) for the provision to HJB of a shared centralised finance function in order to reduce costs through economies of scale by virtue of job sharing among offices and the off-shoring of certain tasks to a lower cost business centre. The tasks performed centrally are sales management reports, Management Information Systems, cash flow reports, commission calculations, weekly contractor and staff payroll calculations, employment agreement production and staff HR function. The fee is calculated at an agreed charge.

There is no further information to be disclosed in relation to the remuneration report.

Key Management Personnel

The key management personnel of HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited) are the Directors as above.

Amounts of remuneration

The Company was under External Administration from 12 September 2013 and the Company's operations were suspended by the Administrator. The Company does not have sufficient information to allow this level of disclosure for the year ended 30 June 2013.

Details of the remuneration of the Directors and the Key Management Personnel (KMP) of the Consolidated Entity for the year ended 2012 was as follows. Cash bonuses are dependent on the satisfaction of the performance conditions set out in the STI section of the Remuneration Report.

DETAILS OF REMUNERATION FOR YEAR ENDED 30 JUNE 2012

	Short term employee benefits			Post employment benefits	Long - term benefits	Share based payments		Other	Total
	Cash salary & allowances	Cash bonus	Non monetary benefits	Super-annuation	Long service leave	Shares	Performance rights	Management fee	
	$	$	$	$	$	$	$	$	$
Directors									
J Goss	73,395	-	-	6,605	-	-	-	-	80,000
M Hedge	47,523	-	-	2,477	-	-	-	-	50,000
L Fernandes	-	-	-	-	-	-	-	-	-
G Doyle	41,282	45,161	-	2,949	21	-	-	-	89,413
A Belle	184,010	19,962	-	12,676	(6,447)	-	-	-	210,201
R Jerome	-	-	-	-	-	-	-	414,927	414,927
	346,210	**65,123**	**-**	**24,707**	**(6,426)**	**-**	**-**	**414,927**	**844,541**

The previous directors' contracts ended upon entering administration. At the date of this report, there are no new contracts in place for the new directors appointed during the period of the Administration.

DIRECTORS REPORT

Signed in accordance with a resolution of the Directors.

Mike Hill
Executive Chairman
19 September 2014

HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS CONTROLLED ENTITIES

STATEMENT OF CORPORATE GOVERNANCE

The corporate governance statement below reflects the corporate governance policies that were adopted by the directors of the Company who were in office prior to the company entering administration. These policies applied until the Company entered voluntary administration on 12 September 2013. On entering administration, the Administrators were responsible for the corporate governance of the Company.

The directors who are in office at the date of this report had no involvement in adopting, implementing or complying with these corporate governance policies. These policies may or may not have been in place during the financial period.

If the recapitalisation proposal is successful, the directors who are in office at the date of this report will adopt a new corporate governance policy.

The Board of directors of the Company is responsible for establishing the corporate governance framework of the Group. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarizes the Company's compliance with the ASX Corporate Governance Council's (CGC) corporate governance principles and recommendations.

	BEST PRACTICE RECOMMENDATION	**COMMENT**
1.	**LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Unknown
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Unknown
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1 as follows: (a) an explanation of any departures from any Principle 1 recommendation; (b) whether a performance evaluation for senior executives has taken place during the reporting period under the process disclosed; and (c) the board charter should be made publicly available.	Unknown
2.	**STRUCTURE THE BOARD TO ADD VALUE**	
2.1	A majority of the board should be independent directors	Unknown
2.2	The Chairman should be an independent director.	Unknown
2.3	The roles of Chairman and Chief Executive Officer should not be exercised by the same individual.	Unknown
2.4	The board should establish a nomination committee.	Unknown
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	Unknown
2.6	Provide the information indicated in Guide to Reporting on Principle 2	Unknown

HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS CONTROLLED ENTITIES

STATEMENT OF CORPORATE GOVERNANCE

	BEST PRACTICE RECOMMENDATION	COMMENT
	PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING	
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: (a) the practices necessary to maintain confidence in the company's integrity; (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; (c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Unknown
3.2	Companies should disclose in each annual report the measurable objectives for achieving gender diversity	Unknown
3.3	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Unknown
3.4	Provide the information indicated in Guide to Reporting on Principle 3	Unknown
	SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	
4.1	The board should establish an audit committee.	Unknown
4.2	Structure the audit committee so that it: (a) consists only non-executive directors; (b) consists of a majority of independent directors; (c) is chaired by an independent chairperson, who is not chair of the board; and (d) has at least three members.	Unknown
4.3	The audit committee should have a formal charter.	Unknown
4.4	Provide the information indicated in Guide to Reporting on Principle 4.	Unknown
	MAKE TIMELY AND BALANCED DISCLOSURE	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Unknown
5.2	Provide the information indicated in Guide to Reporting on Principle 5.	Unknown
	RESPECT THE RIGHTS OF SHAREHOLDERS	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Unknown
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	Unknown
	RECOGNISE AND MANAGE RISK	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Unknown

STATEMENT OF CORPORATE GOVERNANCE

	BEST PRACTICE RECOMMENDATION	**COMMENT**
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Unknown
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Unknown
7.4	Provide the information indicated in Guide to Reporting on Principle 7.	Unknown
	REMUNERATE FAIRLY AND RESPONSIBLY	
8.1	The Board should establish a remuneration committee.	Unknown
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Unknown
8.3	Provide the information indicated in Guide to Reporting on Principle 8.	Unknown

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
Revenue from continuing operations	5	40,053	49,424
Expenses			
Depreciation and amortisation expenses	6	(206)	(229)
Impairment of goodwill	6	(7,163)	-
Employee costs	6	(37,811)	(44,324)
Other expenses		(3,666)	(4,064)
Total expenses		(48,846)	(48,617)
(Loss) / profit before finance costs and impairment		(8,793)	807
Finance costs	6	(42)	(180)
Revenue - pre administration		320	-
Impairment of pre-appointment debtors	10	(561)	-
Impairment of sundry debtors	10	(19)	-
Unrealised profit on MV of shares		-	-
Write off of Office Fit Out assets	14	(613)	-
Impairment of property, plant & equipment	14	(90)	-
Write off of lease incentive liability	19	569	-
Write back of the make good provision	21	296	-
Additional employee claims under administration	21	(970)	-
Expense due to operating leases onerous contracts	22	(4,252)	-
(Loss) / profit before income tax expense		(14,155)	627
Income tax expense	7	-	-
(Loss) / profit from continuing operations		(14,155)	627
(Loss) / profit is attributable to the members of the Company		(14,155)	627
		(14,155)	627
Earnings per share from continuing operations attributable to equity holders of the parent entity			
Basic (loss) / earnings cents per share	36	(2.55)	0.11
Diluted (loss) / earnings cents per share	36	(2.55)	0.11

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

HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000
Current Assets			
Cash and cash equivalents	9	988	1,192
Trade and other receivables	10	2,676	4,174
		3,664	5,366
Non Current Assets			
Available for sale financial assets	11	1	1
Other financial assets	12	-	-
Receivables	13	67	67
Property plant and equipment	14	89	989
Deferred tax assets	15	-	-
Intangible assets	16	50	7,217
		207	8,274
Total assets		3,871	13,640
Current Liabilities			
Trade and other payables	17	1,615	2,054
Borrowings	18	777	40
Lease incentives	19	13	103
Current tax liabilities	20	-	-
Provision	21	1,162	208
Other provision	22	4,252	-
		7,819	2,405
Non Current Liabilities			
Borrowings	25	-	114
Lease incentives	23	-	582
Deferred tax liabilities	24	-	-
Provision	26	-	332
		-	1,028
Total Liabilities		7,819	3,433
Net (Deficiency) / Assets		**(3,948)**	**10,207**
Equity			
Contributed equity	27	27,051	27,001
Reserves	28	9	59
Accumulated losses	28	(31,008)	(16,853)
Total Equity		**(3,948)**	**10,207**

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

HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital	Share Based Payments Reserve	Employee Share Reserve	Accumulated Losses	Total Equity
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2012	27,001	41	18	(16,853)	10,207
Net loss for the year	-	-	-	(14,155)	(14,155)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(14,155)	(14,155)
Transactions with owners in their capacity as owners					
Shares issued at net cost	50	(41)	(9)	-	-
Total transactions with owners in their capacity as owners	50	(41)	(9)	-	-
Balance as at 30 June 2013	27,051	-	9	(31,008)	(3,948)
Balance as at 1 July 2011	27,001	41	14	(17,480)	9,576
Net profit for the year	-	-	-	627	627
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	627	627
Transactions with owners in their capacity as owners					
Employee share plan	-	-	4	-	4
Total transactions with owners in their capacity as owners	-	-	4	-	4
Balance as at 30 June 2012	27,001	41	18	(16,853)	10,207

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

HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Consolidated 2013 $'000	2012 $'000
Cash flow from operating activities			
Receipts from customers		45,157	57,591
Payments to suppliers and employees		(45,987)	(54,441)
Interest received		49	62
Finance costs		(42)	(180)
Net cash (used in) / generated by operating activities	35	(823)	3,032
Cash flow from investing activities			
Payment for property plant and equipment		(4)	(149)
Net cash (used in) investing activities		(4)	(149)
Cash flow from financing activities			
Proceeds from borrowings		623	-
Repayment of borrowings		-	(2,185)
Repayment of borrowings from associate		-	(1,000)
Net cash generated by / (used in) financing activities		623	(3,185)
Net increase in cash and cash equivalents		(204)	(302)
Cash and cash equivalents at beginning of year		1,192	1,494
Cash and cash equivalents at end of year	9	988	1,192

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements cover HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited) ("HJB", "Company" or "parent entity") and its controlled entities as a consolidated entity (also referred to as "the Group"). HJB is a company limited by shares, incorporated and domiciled in Australia.

The principal accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report are set out below. The accounting policies have been consistently applied, unless otherwise stated.

The Company resolved to retrospectively change its reporting date to 30 June of each financial period. Accordingly, these financial statements are for the 12 months ended 30 June 2013.

(a) Basis of preparation

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law where possible (refer to note 1(b) below).

The financial report of HJB also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (refer to Note 1(b) below).

The financial report has been prepared on the historical cost basis.

The consolidated financial statements were authorised for issue by the Board of Directors on 19 September 2014.

(b) Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Group since it entered into voluntary administration on 12 September 2013.

The financial report was prepared by Directors who were not in office at the time the Group entered voluntary administration nor were they in office for the full period presented in this report. The Directors who prepared this financial report were appointed on 7 July 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems, the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period of their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Group for the period prior to the appointment of the Administrators.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position.

(c) Going concern

The consolidated entity incurred a net loss of $14,155,000 (2012: profit of $627,000) and experienced total cash outflows from operating activities of $823,000(2012: cash inflow of $3,032,000) for the year ended 30 June 2013 and, as at that date, had net current asset deficiency of $4,155,000 (2012: net current assets of $2,961,000).

Subsequent to the end of the year the following events took place:

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(c) Going concern (Continued)

- The Company was suspended from trading on ASX on 12 September 2013 at its request and on 12 September 2013 Scott Turner was appointed as the Administrator of the Group and assumed control of the Group and its business, property and affairs.

- Pager Partners were successful in winning a bid to recapitalise the company which was accepted at a meeting of the Company's creditors on 4 December 2013. The Deed of Company Arrangement (DoCA) was signed on 24 December 2013.

- Under the Proposal, it was agreed that the Company would pay $200,000 to the Deed Administrator for distribution under the DoCA to the Creditors' Trustin return for secured and unsecured creditors releasing all claims against the Company and their charge (if any) over the Company.Prior to the appointment of the Administrator, the previous directors of the Company sold certain of the Company's assets as announced on the ASX on 12 September 2013,however under the Proposal certain unencumbered assets were retained by the Company. A Creditors' Trust Deed has been established pursuant to the DoCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. The syndicate led by Pager Partners, loaned the Company $200,000 in order to effectuate the DoCA. The syndicate led by Pager Partners, loaned the Company $200,000 in order to effectuate DoCA. This occurred on the 7 July 2014.

- Under the Proposal, the Company is to issue up to 270,000,000 fully paid ordinary shares and up to 70,000,000 options exercisable at 0.0025 cents per option, to raise up to $1,651,750 before the costs of the Proposal, as well as 40,500,000 management options. On 23 June 2014 the Company's shareholders approved the issue of the shares at an Extraordinary General Meeting.

The cash flow forecast indicates that based on the completion of the equity raising described above; the consolidated entity will have sufficient cash flows to meet all commitments and working capital requirements for a period of at least 12 months from the date of signing the financial report. Accordingly, the directors are satisfied that the going concern basis of preparation is appropriate.

The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(d) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of HJB Corporation Limited and the parent entity as at 30 June 2013 and the results of all subsidiaries for the year then ended. HJB Corporation Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exist. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

Special purpose entities (SPEs) are those entities where the consolidated entity, in substance, controls the SPE so as to obtain the majority of benefits without having any ownership interest.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and SPEs have been changed were necessary to ensure consistency with the policies adopted by the consolidated entity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(d) Principles of consolidation (Continued)

Subsidiaries (Continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to "Business combinations" accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of comprehensive income and statement of financial position of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity losses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in subsidiary together with any cumulative translation differences recognised in equity.

The consolidated entity recognises the fair value of the consideration received and the fair value of any investments retained together with any gain or loss in profit or loss.

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Employee Share Trust

The HJ&B Share Trust administers the Group's employee share scheme. This Trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group.

Shares held by the HJ&B Share Trust are disclosed as treasury shares and deducted from contributed equity.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity accounting method, after initially being recognised at cost.

The Group's share of its associates' post acquisition profit or losses is recognised in the Statements of Profit or Loss and Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associate are recognised in the parent entity's Statements of Profit or Loss and Other Comprehensive Income, while in the consolidated financial statements they reduce the carrying amount of the investment.

(e) Segment reporting

The Group has applied AASB8 Operating Segments from 1 July 2009. AASB8 requires 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The consolidated entity operates one industry segment being the recruitment industry. As a result no additional business segment information has been provided.

Operating segments are now reported in a manner with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of directors.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(f) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statements of Profit or Loss and Other Comprehensive Income, except when deferred in equity as qualifying cash flow hedges and qualifying net investments hedges.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities, such as equities classified as available for sale financial assets, are included in the fair value reserve in equity.

Group companies

The results and financial position of all the Group entities that have functional currency differences from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Statements of Financial Position presented are translated at the closing rate at the date of that Statements of Financial Position;
- Income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of net investment repaid a proportionate share of such exchange difference are recognised in the Statement of Profit or Loss and Other Comprehensive Income as part of gain or loss, where applicable.

(g) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measure, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the billings have been resolved.

Revenue for the major business activities is recognised as follows:

- Temporary placements: On receipt and processing of a timesheet from the temporary employee or contractor;
- Permanent placement: In stage payments once the service has been performed or on appointment as accepted by both the client and the candidate.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(g) Revenue recognition (Continued)

Amounts disclosed as revenue are net of credit notes raised in respect of services requiring replacement.

Interest income is recognised on a time proportion basis using the effective interest method. When receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(h) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the same time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax asset and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation Legislation

The Company and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, HJB, and the controlled entities in the tax consolidated Group account for its own current and deferred tax amounts. These amounts are measures as if each entity in the consolidated Group continues to be standalone tax payer in its own right.

In addition to its own current and deferred tax amounts, HJB also recognises the current tax liabilities (or assets) and the deferred assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets and liabilities arising under tax funding agreement with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned consolidated entities.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance lease are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short term and long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The property, plant and equipment acquired under finance lease is depreciated over a shorter of the asset's useful life and the lease term.

Operating lease payments (net of incentives) are charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis over the lease term.

Incentives received on entering into operating leases are recognised as an asset and corresponding liability and written off over the period of the lease. Lease incentives at the reporting date are being written off over periods of up to 10 years.

(j) Business combinations

The acquisition method is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity interests issued or liabilities incurred by the acquirer to former owners of the acquire and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the consolidated entity re-measures its previously held equity interest in the acquiree at the acquisition date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset is recognised in profit or loss. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The difference between the acquisition date fair value acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a re-assessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the re-measurement period, based on the new information obtained about the facts and circumstances that existed at the acquisition date. The re-measurement period ends on either the earlier of:

- 12 months from the date of the acquisition, or
- When the acquirer receives all the information possible to determine fair value.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(k) Impairment of assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash generating unit). Non-financial assets other than goodwill, which suffered impairment, are reviewed for possible reversal of the impairment at each reporting date

(l) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hands, deposits at call with financial institutions, and other highly liquid investments with short periods to maturity (less than three months) which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, and bank overdrafts . Bank overdrafts are shown within borrowings in current liabilities in Statement of Financial Position.

(m) Trade receivables

Trade receivables are recognised at fair value, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and the default or delinquency in payment are considered indicators that the trade receivables are impaired. The amount of the impairment provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment provision is recognised in profit or loss within other expenses. When a trade receivable for which an impairment provision had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(n) Plant and equipment

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

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

Depreciation is calculated on a straight line basis to allocate their costs or re-valued amounts, net of their residual values, over their estimated useful lives. The estimated useful life varies from 3 to 5 years.

The assets' residual values and useful life are reviewed, and adjusted if appropriate at the each reporting date. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(o) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful lives of the improvements to the consolidated entity, whichever is shorter.

The cost of rectification of leasehold property at the end of a lease is estimated and is brought into the Statement of Financial Position at fair value. The asset is then depreciated over the life of the lease or written off if the asset is surrendered early.

(p) Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group' share of the net identifiable assets of the acquired subsidiary / associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating unit for the purpose of impairment testing.

Software

Costs incurred on software and their implementations are treated as intangible assets. The Group capitalises certain direct labour costs of those persons directly involved with the development and implementation of systems where the systems contribute to future period financial benefit through revenue generation and/or cost reduction. The capitalised costs are amortised over the period of 2.5 years in which the benefit will be received.

(q) Trade and other creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which remain unpaid. The amounts are unsecured and are usually settled within 30 days of recognition.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at mortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facility, which are not an incremental costs relating to the actual draw down of the facility, recognised as prepayments and amortised on a straight line basis over the term of the facility.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(s) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(s) Borrowing costs (Continued)

Borrowing costs include:

- Interest on bank overdrafts and short term and long term borrowings;
- Amortisation of discounts or premiums relating to borrowings;
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- Finance lease charges.

(t) Provisions

Provisions for legal claims and services are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(u) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, and annual leave, including non-monetary benefits, expected to be settled within 12 months of the reporting date are recognised in other creditors, in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measure at the rates paid or payable.

Long service leave

The liability for long service leave and annual leave which is not expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made for services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible the estimated future cash outflows.

Profit share and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised in other creditors when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- There are formal terms in the plan for determining the amount of the benefit;
- The amounts to be paid are determined before the time of completion of the financial report; or
- Past practice gives clear evidence of the amount of the obligation.

Superannuation

The consolidated entity participates in a defined contribution plan. The amount charged to the Statement of Profit or Loss and Other Comprehensive Income in respect of superannuation represents the contributions paid or payable by the consolidated entity to the superannuation fund during the reporting period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(u) Employee benefits (Continued)

Termination benefits

Liabilities for termination benefits, not in connection with the acquisition of an entity or operation, are recognised when the Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payment is uncertain, in which case they are recognised as provisions.

Liabilities for termination benefits include payments as a consequence of termination or those that are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled. Amounts expected to be settled more than 12 months from the reporting date are measured as the estimated cash outflows, discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future payments, where the effects of discounting is material.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employees benefits to which to which they relate are recognised as liabilities.

(v) Contributed equity

Ordinary share are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are recognised as a deduction from equity, net of any tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, are not included in the cost of acquisition as part of the purchase consideration.

(w) Dividends

Provision is made for the amount of any dividend declared, determined or publically recommended by the Directors on or before the end of the financial year but not distributed at the reporting date.

(x) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the operating profit after tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(y) Investments and other financial assets

Interests in listed and unlisted securities, other than controlled entities in the consolidated financial statements, are brought to account at fair value and dividend income is recognised in the Statement of Profit or Loss and other Comprehensive Income when receivable. Controlled entities are accounted for in the consolidated financial statements as set out above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(y) Investments and other financial assets (Continued)

The Group does hold investments in listed securities that meet the recognition and measurement requirement of AASB132 Financial Instruments: Disclosure and Presentation and AASB139 Financial Instruments: Recognition and Measurement and these are classified as available for sale financial assets.

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in Note 11.

(z) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority, In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with the other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flow.

(aa) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by ASIC, relating to the “rounding off” of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(bb) New accounting standards and interpretations

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 Presentation of Financial Statements effective 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.
At the date of the authorization of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 11 ‘Joint Arrangements’	1 January 2013	30 June 2014
AASB 12 ‘Disclosure of Interests in Other Entities’	1 January 2013	30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(bb) **New accounting standards and interpretations (Continued)**

New accounting standards for application in future periods (Continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7	1 January 2013	30 June 2014
'Amendments to Australian Accounting Standards arising from the Consolidation and		
Joint Arrangements standards'		
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 June 2014
AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2013	30 June 2014

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(bb) New accounting standards and interpretations (Continued)

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion ofthe change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

  AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

  AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the 'special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

  To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(bb) New accounting standards and interpretations (Continued)

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Group.

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual key management Personnel Disclosure Requirements ((applicable for annual reporting periods commencing on or after 1 January 2013).

This standard makes amendments to AASB 124; Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This standard is not expected to significantly impact the Group's financial report as a whole.

AASB 119 (September 2011) includes changes to the accounting for termination benefits.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7); AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting

Financial Assets and Liabilities' (Amendments to AASB 132); AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'; AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'; and Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.

These standards are not expected to impact the Group.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTE 3: FINANCIAL RISK MANAGEMENT

The financial risk management policies below were adopted by the directors of the Company who were in office prior to the company entering administration. These policies applied until the Company entered voluntary administration on 12 September 2013. On entering administration, the Administrators were responsible for the Company. Therefore there is no current financial risk management policy.

The Group's activities expose it to a range of different financial risks, market risks (including foreign exchange risk, and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk and ageing analysis for credit risk.

Risk management is carried out by Senior Management under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group was not exposed to foreign exchange risk during the financial year.

(ii) Cash flow and fair value interest rate risk

The Group has no significant interest bearing assets, and the Group's main interest rate risk arises from the current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk and borrowings at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings were at variable rates and were denominated in Australian dollars.

The Group manages its cash flow interest rate risk by evaluating the amounts utilised and assesses other alternatives of funding.

At 30 June 2013 all intercompany loans were non-interest bearing as a result a change in interest rate would not impact the post-tax profit (2012:Nil).

(b) Credit Risk

The Group has no significant concentrations of credit risk. Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions. Customers are independently rated and the information used together with risk controls to assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual customer risk limits are set based on internal and external ratings in accordance with limits set by management and our financier. The compliance with credit limits is regularly monitored by line management. Details of trade and other receivables are set out in Note 10.

Credit risk further arises in relation to financial guarantees given to certain parties (see Note 18(b) and 31 for details), this risk is mitigated by the bank deposits held to cover the facility in full.

(c) Liquidity

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The Group manages its liquidity risk by continuously monitoring forecasts and actual cash flows. Due to the dynamic nature of the underlying business, management aims at maintaining flexibility in funding by keeping committed credit lines available.

The Group went into voluntary administration on 12 September 2013 after it was unable to generate sufficient cash from working capital or to secure further funding for the Group.

NOTE 3: FINANCIAL RISK MANAGEMENT (Continued)

Financing arrangement

The Group and the parent entity had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated	
	2013	**2012**
	S'000	**S'000**
St George Invoice financing facility	*	6,500
Commercial bill	*	1
Indemnity guarantee facility	*	127
	*	6,628

* On 12 September 2013 the Group was placed into voluntary administration and the Group's operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

Maturity of financial liabilities

The table below analyse the Group's and the parent entity's financial liabilities grouped based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are contractual undiscounted cash flows.

	Less than 6 months	**6 - 12 months**	**Between 1 & 2 years**	**Over 2 years**	**Total contractual cash flow**	**Carrying amount liabilities**
30 June 2013	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non derivatives						
Interest bearing facility	663	-	-	-	663	663
Non interest bearing	1,615	-	-	-	1,615	1,615
Variable rate	-	-	-	-	-	-
Fixed rate	57	57	114	(114)	114	114
Total non derivatives	2,335	57	114	(114)	2,392	2,392

	Less than 6 months	**6 - 12 months**	**Between 1 & 2 years**	**Over 2 years**	**Total contractual cash flow**	**Carrying amount liabilities**
30 June 2012	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non derivatives						
Non interest bearing	2,054	-	-	-	2,054	2,054
Variable rate	-	-	-	-	-	-
Fixed rate	20	20	40	74	154	154
Total non derivatives	2,074	20	40	74	2,208	2,208

NOTE 4: SEGMENT REPORTING

(a) Business segments

The consolidated entity operates in one industry segment being the recruitment industry. As a result no additional business segment information has been provided.

(b) Geographical segments

The consolidated entity operates in one geographical segment being Australia. As a result no additional geographical segment information has been provided.

(c) Equity accounting investments

The consolidated entity holds no investments relating to equity accounting.

NOTE 5: REVENUE

	Consolidated	
	2013	**2012**
	$'000	**$'000**
From continuing operations		
Sales revenue		
Permanent placements	5,165	7,436
Temporary placements	34,192	41,335
Other revenue		
Interest	49	62
Rents & sub-lease rentals	625	591
Other	22	-
	40,053	49,424

NOTE 6: EXPENSES

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Profit before income tax includes the following expenses:		
Depreciation - property, plant and equipment	202	210
Amortisation - software and databases	4	19
Employment costs		
- Temporary placements	27,972	33,079
- Permanent placements	7,706	8,801
- Accumulation of superannuation plan	2,133	2,444
Financing costs	42	180
Occupancy costs	2,087	2,060
Net loss on disposal of property, plant and equipment	-	1
Impairment of goodwill	7,163	-

NOTE 7: INCOME TAX

(a) Income tax expense

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Current tax	-	-
Deferred tax	-	-
		-
Income tax is attributable to:		
Profit from continuing operations	-	-
Deferred income tax expense included in income tax expense comprises:		
Decrease in deferred tax assets	-	-
Decrease in deferred tax liabilities	-	-
	-	-

NOTE 7: INCOME TAX (Continued)

(b) Reconciliation of income tax expense to tax payable

	Consolidated	
	2013	**2012**
	$'000	**$'000**
(Loss) / profit from continuing operations before income tax expense	*	627
Income tax at 30%	*	188
Tax effects of amounts which are not deductible in calculating taxable income		
- Impairment of trade receivable	*	(1)
- Employee entitlements	*	(22)
- Accruals	*	(86)
- Adjustment on depreciation of plant & equipment	*	18
- Permanent differences	*	21
De-recognise net deferred tax assets relating to temporary differences and tax losses not considered probable of recovery	*	(118)
	*	-

(c) Tax losses

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Unused tax losses for which no deferred tax asset has been recognised	*	7,310
Potential tax benefit at 30%	*	2,193

* On 12 September 2013 the Group was placed into voluntary administration and the Group's operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

(d) Tax consolidation legislation

The Company and its wholly owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003. The accounting policy on implementation of the legislation is set out in Note 1(h).

On adoption of the tax consolidation legislation, the entities of the tax consolidated group entered into a tax sharing agreement. This agreement, in the opinion of the Directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited).

The entities have also entered into a tax funding agreement. Under the terms of this agreement, the wholly owned entities fully compensate the Company for any current income tax payable assumed and are compensated by the Company for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Company under the tax consolidation legislation. The funding amounts are determined by reference to amounts recognised in the wholly owned entities' financial statements.

The amounts receivable / payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of the financial year. The head entity may also require payment of interim funding amounts to assist with the obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables by HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited). (See Note 32).

NOTE 8: DIVIDENDS

No dividends are to be paid for the year ended 30 June 2013. No dividends were paid for the year ended 30 June 2012.

NOTE 8: DIVIDENDS (Continued)

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Franked dividends		
Franking credits available for subsequent financial years based on a tax rate of 30% (2012: 30%)	1,467	1,467

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- Franking credits that will arise from the payment of the current tax liability; and
- Franking debits that will arise from the payment of dividends declared at the date of this report.

NOTE 9: CASH AND CASH EQUIVALENTS

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Current		
Cash at bank and on hand	988	1,192

Included in the cash balance is a restricted amount of $0.9 million (2012: $0.9 million) that is held in a term deposit as a security against HJB's bank guarantees.

NOTE 10: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Current		
Trade receivables	3,147	3,877
Less Provision for Impairment of Trade Receivables	(8)	-
Less: Provision for Bad Debts - Administration	(561)	-
Prepayments	97	255
Other receivables	20	42
Less: Impairment for sundry debtors	(19)	-
	2,676	4,174

Trade and other receivables have been impaired to their net realisable value based on whether the administrator has received payment.

(a) Impaired trade receivable

	Consolidated	
	2013	**2012**
	$'000	**$'000**
At 1 July 2012	*	4
Provision for impairment recognised during the year	*	(4)
At 30 June 2013	*	-

NOTE 10: TRADE AND OTHER RECEIVABLES (Continued)

(b) Past due but not impaired

These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of the trade receivables is as follows:

	Consolidated	
	2013	**2012**
	$'000	**$'000**
1 to 2 months	*	248
2 to 3 months	*	64
Over 3 months	*	31
	*	343

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

* On 12 September 2013 the Group was placed into voluntary administration and the Group's operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group.

(d) Fair value and risk exposure

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of receivables mentioned above. Information about the Group's and the parent entity's exposure to foreign currency risk, interest rate risk and credit risk is provided in Note 3.

NOTE 11: AVAILABLE FOR SALE FINANCIAL ASSETS

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Non Current		
Listed equity securities	1	1

These financial assets are varied at fair value.

NOTE 12: OTHER FINANCIAL ASSETS

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Non Current		
Shares in subsidiaries	-	-

These financial assets are carried at cost less impairment.

NOTE 13: RECEIVABLES

	Consolidated 2013 $'000	Consolidated 2012 $'000
Non Current		
Rental bonds	67	67

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

Consolidated	Motor Vehicle $000	Plant and Equipment $000	Leasehold Rectification $000	Office Fit Out $000	Total $000
At 30 June 2013					
Cost	136	491	296	4,498	5,421
Accumulated depreciation	(35)	(429)	(296)	(3,869)	(4,629)
Write off of Office Fit Out assets	-	-	-	(613)	(613)
Impairment due to Administration	(43)	(47)	-	-	(90)
	58	15	-	16	89
At 1 July 2012	132	74	-	784	990
Additions	-	4	-	-	4
Depreciation	(31)	(16)	-	(155)	(202)
Write off of Office Fit Out assets	-	-	-	(613)	(613)
Impairment due to Administration	(43)	(47)	-	-	(90)
At 30 June 2013	58	15	-	16	89
At 30 June 2012					
Cost	136	486	296	4,498	5,416
Accumulated depreciation	(4)	(413)	(296)	(3,714)	(4,427)
	132	73	-	784	989
At 1 July 2011	-	77	-	974	1,051
Additions	136	13	-	-	149
Disposal	-	(1)	-	-	(1)
Depreciation	(4)	(16)	-	(190)	(210)
At 30 June 2012	132	73	-	784	989

NOTE 15: DEFERRED TAX ASSETS

Deferred tax assets for deductible temporary difference and unused tax losses were de-recognised at 30 June 2008 as it was not probable that future taxable amounts would be available to utilise these temporary differences and losses.

Consolidated	Retirement benefit obligations $'000	Employee benefits $'000	Employee bonuses $'000	Provision for lease rectification $'000	Other $'000	Total $'000	Set off of deferred tax liabilities $'000	Net deferred tax assets $'000
At 30 June 2012	-	-	-	81	-	81	(81)	-
Credited to statement of profit or loss & other comprehensive income	-	-	-	-	-	-	-	-
At 30 June 2013	-	-	-	81	-	81	(81)	-
At 30 June 2011	-	-	-	81	-	81	(81)	-
Credited to statement of profit or loss & other comprehensive income	-	-	-	-	-	-	-	-
At 30 June 2012	-	-	-	81	-	81	(81)	-

NOTE 16: INTANGIBLE ASSETS

Consolidated	**Goodwill**	**Software**	**Intellectual property & other software**	**Total**
At 30 June 2013	**$000**	**$000**	**$000**	**$000**
Cost	14,259	3,557	-	17,816
Reclassification	(50)	-	50	-
Accumulated depreciation & impairment	(14,209)	(3,557)	-	(17,766)
	-	-	50	50
At 1 July 2012	7,213	4	-	7,217
Amortisation	-	(4)	-	(4)
Reclassification	(50)	-	50	-
Impairment	(7,163)	-	-	(7,163)
At 30 June 2013	-	-	50	50
At 30 June 2012				
Cost	14,259	3,557	-	17,816
Accumulated depreciation	(7,046)	(3,553)	-	(10,599)
	7,213	4	-	7,217

NOTE 16: INTANGIBLE ASSETS (Continued)

Consolidated	Goodwill	Software	Intellectual property & other software	Total
	$000	$000	$000	$000
At 1 July 2011	7,213	23	-	7,236
Amortisation	-	(19)	-	(19)
At 30 June 2012	7,213	4	-	7,217

NOTE 17: TRADE AND OTHER PAYABLES

	Consolidated	
	2013	2012
	$'000	$'000
Current		
Trade creditors	62	151
Other payables		
Employment costs	972	1,319
Goods & service tax	263	239
Expenses	313	345
Auditors fees	5	-
	1,615	2,054

A Creditors' Trust Deed has been established pursuant to the DoCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. Refer to Note 33.

NOTE 18: BORROWINGS

	Consolidated	
	2013	2012
	$'000	$'000
Current		
Secured		
Invoice financing facility - temporary staff	663	-
Hire purchase arrangement - Motor vehicle	114	40
	777	40

The invoice financing facility is secured by a fixed charge against the trade receivable of the company.

(a) Invoice financing facility

This facility is subject to various covenants:

Interest cover ratio:
The Group must maintain as Interest Cover ratio each quarter that is not less than:

- 1.25 times prior to 30 June 2012
- 1.50 times post 30 June 2012

Interest cover ratio is calculated as EBIT / Gross Interest Expense

Gearing ratio:
The Group must maintain gearing ratio each quarter that is not greater than 2 times.
Gearing ratio is calculated as Maximum Total Debt / Tangible Net Worth

Funding from the invoice discounting facility is based on 85% of the aggregate face value of eligible temporary invoices. Permanent placement invoices are not financed by the facility.

NOTE 18: BORROWINGS (Continued)

(b) Financing arrangements

The Group has access to the following lines of credit:

	Consolidated 2013 $'000	Consolidated 2012 $'000
St George invoice financing	*	6,500
Indemnity guarantee facility	*	1,000
Total facilities	*	7,500

	Consolidated 2013 $'000	Consolidated 2012 $'000
St George invoice financing	663	-
Indemnity guarantee facility	*	873
Used at balance date	*	873
St George invoice financing	*	6,500
Indemnity guarantee facility	*	127
Unused at balance date	*	6,627

* On 12 September 2013 the Group was placed into voluntary administration and the Group's operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

(b) Fair value

Group	2013 Carrying amount $'000	2013 Fair value $'000	2012 Carrying amount $'000	2012 Fair value $'000
St George invoice financing	663	663	-	-
Borrowings	114	114	154	154
	777	777	154	154

The fair value of current borrowings equal their carrying amount as the impact of discounting is not significant.

* On 12 September 2013 the Group was placed into voluntary administration and the Group's operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

NOTE 19: LEASE INCENTIVES

	Consolidated 2013 $'000	Consolidated 2012 $'000
Current		
Lease incentive	582	103
Write off of lease incentive liability	(569)	-
	13	103

Lease incentives are amortised over the duration of the term of the lease.

NOTE 20: TAX LIABILITIES

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Current		
Tax liability	-	-

NOTE 21: PROVISIONS

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Current		
Employee benefits - annual leave	145	208
Employee benefits - long service leave	47	-
Make good provision	296	-
Write back of the make good provision	(296)	-
Additional employee claims under administration	970	-
	1,162	208

NOTE 22: OTHER PROVISION

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Expenses on operating leases onerous contracts due to Administration	4,252	-

NOTE 23: LEASE INCENTIVES

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Non Current		
Lease incentive	-	582

Lease incentives are amortised over the duration of the term of the lease.

NOTE 24: DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities for deductible temporary difference and unused tax losses were de-recognised at 30 June 2008 as it was not probable that future taxable amounts would be available to utilise these temporary differences and losses.

Consolidated	**Intangibles $'000**	**Property, plant & equipment $'000**	**Lease reclassification asset $'000**	**Foreign exchange balances $'000**	**Total $'000**	**Set off of deferred tax assets $'000**	**Net deferred tax liability $'000**
At 30 June 2012	62	-	19	-	81	(81)	-
Credited to statement of profit or loss & other comprehensive income	-	-	-	-	-	-	-
At 30 June 2013	62	-	19	-	81	(81)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 24: DEFERRED TAX LIABILITIES (Continued)

Consolidated	Intangibles $'000	Property, plant & equipment $'000	Lease reclassification asset $'000	Foreign exchange balances $'000	Total $'000	Set off of deferred tax assets $'000	Net deferred tax liability $'000
At 30 June 2011	62	-	19	-	81	(81)	-
Credited to statement of profit or loss & other comprehensive income	-	-	-	-	-	-	-
At 30 June 2012	62	-	19	-	81	(81)	-

NOTE 25: BORROWINGS

	Consolidated 2013 $'000	Consolidated 2012 $'000
Non Current		
Secured		
Hire purchase arrangement - Motor vehicle	-	114

The fair value of these borrowings is included in the disclosure in Note 18.

NOTE 26: PROVISIONS

	Consolidated 2013 $'000	Consolidated 2012 $'000
Non Current		
Employee benefits - long service leave	-	36
Make good provision	-	296
	-	332

The Group is required to restore the leased office premises to their original condition at the end of the respective lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvement. These costs have been capitalised as part of the cost of leasehold improvement and are amortised over the term of the lease.

NOTE 27: CONTRIBUTED EQUITY

	2013 Number	2013 $'000	2012 Number	2012 $'000
(a) Share capital				
Fully paid	556,479,634	27,051	552,633,480	27,001
(b) Other equity securities				
Total contributed equity - parent entity	556,479,634	27,051	552,633,480	27,001

NOTE 27: CONTRIBUTED EQUITY (Continued)

(c) Movements in share capital

Details	Date	Number of shares	$'000
Opening balance	1 Jul 2012	552,633,480	27,001
Employee share plan - G Doyle	8 Nov 2012	3,846,154	50
Closing balance		556,479,634	27,051

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

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

(e) Employee share plan

Information relating to share based base payments is set out in Note 37.

(f) Treasury shares

Treasury shares are shares in the Company that are held by the HJ&B Employee Share Trust for the purpose of issuing shares under the Company employee share scheme.

NOTE 28: RESERVES AND ACCUMULATED LOSSES

(a) Reserves	Consolidated	
	2013	2012
	$'000	$'000
Share based payment reserve		
At beginning of the year	41	41
Share issue	(41)	-
At end of the year	-	41
Employee share reserve		
At beginning of the year	18	14
Share issue	(9)	4
At end of the year	9	18

NOTE 28: RESERVES AND ACCUMULATED LOSSES (Continued)

The consolidated entity has an ownership based remuneration scheme for senior executives under which performance based conditional shares are issued to senior executives at the discretion of the Board and are recognised in the financial statements when issued, the cost of which is based on an independent valuation as at the grant date and amortised over the vesting period of the shares.

	2013		2012	
	Number	**$000**	**Number**	**$000**
Performance rights				
Granted as part of Employee share plan	450,000	9	1,500,000	18

(b) Accumulated losses	**Consolidated**	
	2013	**2012**
	$'000	**$'000**
At beginning of the year	(16,853)	(17,480)
Net (loss) / profit for the year	(14,155)	627
At end of the year	(31,008)	(16,853)

(c) Nature and purpose of reserves

Share based payments reserve

The share based payments reserve is used to recognise the fair value of shares transferred from the Employee Share Trust and the fair value of performance rights granted but not yet vested.

Employee share reserve

The employee share reserve is used to recognise the fair value of shares to be potentially granted to employees at a future date based on performance and length of service.

NOTE 29: KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Short term employee benefits	*	826
Post employment benefits	*	19
Termination benefits	*	-
	*	845

* On 12 September 2013 the Group was placed into voluntary administration and the Group's operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

Equity instrument disclosures relating to key management personnel shareholdings

The number of shares in the Company held during the year by each Director of HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited) and other key management personnel of the Group, including their personally related entities, are set out below:

NOTE 29: KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

Equity instrument disclosures relating to key management personnel shareholdings (Continued)

Shareholding 2013	Balance at start of the year	Granted during the year as remuneration	Received during the year on the exercise options	Other changes during the year	Balance at end of the year
J Goss	5,000,000	-	-	(5,000,000)	-
M Hedge	5,000,000	-	-	(5,000,000)	-
R Jerome	3,000,000	-	-	-	3,000,000
L Fernandes	2,000,000	-	-	-	2,000,000
A Belle	250,000	-	-	-	250,000
G Doyle	-	3,846,154	-	-	3,846,154
R Walters	-	-	-	-	-
P Colaco	-	-	-	-	-
	15,250,000	3,846,154	-	(10,000,000)	9,096,154

Shareholding 2012	Balance at start of the year	Granted during the year as remuneration	Received during the year on the exercise options	Other changes during the year	Balance at end of the year
J Goss	5,000,000	-	-	-	5,000,000
M Hedge	5,000,000	-	-	-	5,000,000
R Jerome	3,000,000	-	-	-	3,000,000
L Fernandes	2,000,000	-	-	-	2,000,000
A Belle	250,000	-	-	-	250,000
G Doyle	-	-	-	-	-
	15,250,000	-	-	-	15,250,000

NOTE 30: AUDITOR'S REMUNERATION

	Consolidated	
	2013	2012
	$'000	$'000
Amounts paid / payable to Stanton's International (2012: Page, Harrison & Co Chartered Accountants) for audit and review work undertaken under Corporation Act 2001		
Auditing or reviewing the financial report	5	40
Taxation services	-	11
Advisory services	-	9
	5	60

NOTE 31: COMMITMENTS

Operating leases

The Group leases various offices under non-cancellable operating leases expiring within 2 to 10 years. The Group also leases various office equipment under cancellable leases expiring within 2 to 5 years. These leases have varying terms.

NOTE 31: COMMITMENTS (Continued)

Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Not later than 1 year	2,080	2,061
Later than 1 year and not later than 5 years	4,322	4,949
Later than 5 years	697	1,421
Commitments not recognised in the financial statements	7,099	8,431

Bank Guarantees
The Group has provided bank guarantees in respect of various operating leases amounting to $873,447 (2012: $873,447) secured by bank term deposits of $873,447 (2012: $873,447) at 30 June 2013.

NOTE 32: RELATED PARTIES

(a) Parent entity
The parent entity within the Group is HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited).

(b) Subsidiaries
Interests in subsidiaries are set out in Note 34.

(c) Key management personnel
Disclosures relating to key management personnel are set out in Note 29 and the Directors Report.

(d) Associated companies

The Company entered into service agreements with Charterhouse Partnership (Australia) and Charterhouse Pte Ltd (Singapore).

- A Service Agreement exists between the Company and Charterhouse Partnership (Australia), an Associated Company, for the provision to HJB of the services of their staff on the following basis:
  - The provision of a shared tender-writing employee. The fee is calculated at cost based on salary and payroll on-costs and on the basis of time worked and is managed by signed timesheets.
  - The provision of a shared Chief Executive Officer (CEO) (Mr Robin Jerome). The fee is calculated based on a flat fee of $500,000 per annum. This flat fee would cover the cost of the CEO’s salary, bonus and payroll on-costs. The fee charged for this service up to the date of his resignation (21 May 2012) was $$440,860. This fee no longer applies as a result of Mr Jerome’s resignation.
- A Service Agreement exists between the Company and Charterhouse Pte Ltd (a Singaporean company) for the provision to HJB of a shared centralised finance function in order to reduce costs through economies of scale by virtue of job sharing among offices and the off-shoring of certain tasks to a lower cost business centre. The tasks performed centrally are sales management reports, Management Information Systems, cash flow reports, commission calculations, weekly contractor and staff payroll calculations, employment agreement production and staff HR function. The fee is calculated at cost and recharged on the basis of an equal fee per office.

(e) Transactions with related parties

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

	Consolidated	
	2013	**2012**
Transaction with related parties	**$'000**	**$'000**
Fees for Shared Tender Writer	-	-
Fees for Shared CEO (inclusive of on-costs)	-	-
Fees for Centralised Office Function	90	-
	90	-

NOTE 32: RELATED PARTIES (Continued)

(f) Loans to / (from) related parties

	Consolidated	
	2013	**2012**
Loans to / (from) associate	**$'000**	**$'000**
Beginning of the year	-	(1)
Loan repayments made	-	1
Interest charged	-	-
End of the year	-	-

The interest charged of $0 (2012: $64,960) relates to interest on loan advanced by Robertson & Smart Pty Ltd, the Australian subsidiary of the Charterhouse Group.

NOTE 33: EVENTS AFTER BALANCE DATE

The Company was suspended from trading on ASX on 2 September 2013at its request and on 12 September 2013 Scott Turner was appointed as theAdministrators of the Group and assumed control of the Group and its business, property and affairs.

The Administrator subsequently advertised, sought and negotiated proposals to reconstruct the Company with interested parties. Pager Partners put forward a recapitalisation proposal which was accepted at a meeting of the Company's creditors on 4 December 2013. The Deed of Company Arrangement (DOCA) was signed on 24 December 2013.

Under the Proposal, it was agreed that the Company would pay $200,000 to the Deed Administrator for distribution under the DOCA to the Creditors' Trust in return for secured and unsecured creditors releasing all claims against the Company and their charge (if any) over the Company. Prior to the appointment of the Administrator, the former directors sold certain of the assets as announced on the ASX on 12 September 2013, however under the Proposal certain unencumbered assets were retained by the Company. A Creditors' Trust Deed has been established pursuant to the DOCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. The syndicate lead by Pager Partners loaned the Company $200,000 in order to effectuate the DOCA. This occurred on the 7July2014.

Under the Proposal, the Company is to issue up to 270,000,000 fully paid ordinary shares and up to 70,000,000 options exercisable at 0.0025 cents per option, to raise up to $1,651,750 before the costs of the Proposal, as well as 40.500,000 management options. On 23 June 2014 the Company shareholders approved the issue of the shares at an Extraordinary General Meeting.

The Directors are currently working towards the restructure and recapitalisation of the Company and liaising with the ASX in relation to the reinstatement of the Company'ssecurities for trading on the ASX.

NOTE 34: SUBSIDIARIES

				Equity Holding	
Name of entity		**Country of incorporation**	**Class of shares/units**	**2013**	**2012**
Hamilton James and Bruce Pty Limited	In liquidation	Australia	Ordinary	100%	100%
HJ&B Employee Pty Limited	Deregistered 20 November 2013	Australia	Ordinary	100%	100%
HJ&B Employee Share Trust		Australia	Ordinary	100%	100%
HJB Share Plan Pty Limited	Deregistered 20 November 2013	Australia	Ordinary	100%	100%

NOTE 35: RECONCILIATION OF (LOSS) / PROFIT AFTER INCOME TAX TO CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2013	**2012**
	$'000	**$'000**
(Loss) / profit for the year	(14,155)	627
Adjustments for non cash items		
Depreciation and amortisation expense	206	229
Impairment of goodwill	7,163	-
Loss on disposal of property, plant and equipment	-	1
Write back of lease incentive	(103)	(112)
Revenue - pre administration	(320)	-
Impairment of pre-appointment debtors	561	-
Impairment of sundry debtors	19	-
Unrealised profit on MV of shares	-	-
Write off of Office Fit Out assets	613	-
Impairment of property, plant & equipment due to Administration	90	-
Write off of lease incentive liability	(569)	-
Write off make good provision	(296)	-
Additional employee claims under administration	970	-
Expense due to operating leases onerous contracts	4,252	-
Changes in assets and liabilities		
Decrease in trade and other receivables	1,057	3,284
Decrease / (increase) in other operating assets	180	(23)
Decrease in trade and other payables	(439)	(906)
Increase in reserves	-	4
Decrease in provisions	(52)	(72)
Cash flow from operating activities	(823)	3,032

NOTE 36: EARNING PER SHARE

	Consolidated	
	2013	**2012**
Basic (loss) / earning per share - continuing operations (cents per share)	(2.55)	0.11
Diluted (loss) / earning per share - continuing operations (cents per share)	(2.55)	0.11
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	555,197,583	552,633,480

NOTE 37: SHARE BASED PAYMENTS

(a) Employee Share Scheme

A scheme under which shares may be transferred from the Employee Share Trust to employee for no cash consideration on the direction of the parent entity was established in 2001. Offers under the scheme are at the discretion of the Company. Shares transferred under this scheme vest over a period of 3 years from the date of granting, with one third of the amount granted vesting on the anniversary of granting each year. If an employee ceases employment with the Group the unvested shares are forfeited and returned to the Trust. The value of the shares at the grant date is based on the market price on that date and this value is allocated to each year in the 3 year period based on the probabilities of the shares after vesting.

NOTE 37: SHARE BASED PAYMENTS (Continued)

(b) Employee Performance Rights Plan
An Employee Performance Rights Plan was approved at the Annual General meeting in 2004. The fair value at grant date is independently determined using the binomial model, taking into account the exercise price, life of the instrument, share price at grant date, expected volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the right.

Vesting conditions, other than market conditions, are taken into account by adjusting the number of rights that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of rights that are expected to become exercisable.

(c) Expenses arising from share based payment transactions
No expenses arose from share based payments recognised during the year to 30 June 2013 (2012: Nil).

NOTE 38: PARENT ENTITY

HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited) is the ultimate parent of the consolidated Group.

Information relating to HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited):

	2013 $'000	2012 $'000
Assets		
Current assets	926	7,371
Non current assets	649	754
Total assets	1,575	8,125
Liabilities		
Current liabilities	(582)	(113)
Non current liabilities	(296)	(867)
Total liabilities	(878)	(980)
Net assets	697	7,145
Equity		
Contributed equity	27,051	27,001
Reserves	9	20
Accumulated losses	(26,363)	(19,876)
Total equity	697	7,145
Loss of the parent entity	(6,487)	(230)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(6,487)	(230)

NOTE 39: CONTIGENT LIABILITIES AND CONTINGENT ASSETS

There are no current contingent liabilities or contingent assets.

DIRECTORS' DECLARATION

1) In the opinion of the Directors of HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited)and its controlled entities ('the Group'):

   a) as set out in note 1, although the Directors have prepared the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

      (1) giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

      (2) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

2) Subject to the successful recapitalisation of the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

Mike Hill
Executive Chairman
19 September 2014

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

QUALIFIED INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HJB CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of HJB Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the 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 note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Because of the matter discussed in the basis of Disclaimer of Auditor's Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

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

Basis for Disclaimer of Auditor's Opinion

The company was placed into administration on 12 September 2013. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

As stated in Note 1(b), the current Directors are unable to state that the financial report is in accordance with all the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

Disclaimer of Auditor's Opinion

In our opinion:

(a) because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion as to whether the financial report of HJB Corporation Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of consolidated entity's financial position as at 30 June 2013 and of their performance for the year ended on that date;
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (iii) complying with all the requirements of the International Financial Reporting Standards.

Report on the Remuneration Report

We have audited the remuneration report included on pages 8 to 11 of the directors' report for the year ended 30 June 2013. 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

Disclaimer of opinion

Because of the existence of the limitation on scope of our work, as described in the Basis of Disclaimer of Auditor's Opinion, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion on the remuneration report of HJB Corporation Limited for the year ended 30 June 2013 and whether it complies with Section 300A of the Corporations Act 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
19 September 2014

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

19 September 2014

Board of Directors
HJB Corporation Limited
Level 5,137-139 Bathurst Street
Sydney, NSW 2000

Dear Sirs

RE: HJB CORPORATION LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of HJB Corporation Limited.

As Audit Director for the audit of the financial statements of HJB Corporation Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik
Director

ASX ADDITIONAL INFORMATION

AS AT 12 SEPTEMBER 2014 – POST CONSOLIDATION ON 4 JULY 2014

NUMBER OF HOLDERS OF EQUITY SECURITIES - ORDINARY SHARES:

16,876,788 fully paid post consolidation ordinary shares held by 224 individual shareholders

All ordinary shares carry one vote per share

DISTRIBUTION OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES:

TOTAL HOLDERS FULLY PAID ORDINARY SHARES

Category		Number Held	Percentage of Issued Shares
1 – 1,000	157	45,129	0.27
1,001 – 5,000	28	65,266	0.39
5,001 – 10,000	12	87,653	0.52
10,001 – 100,000	14	598,821	3.55
100,001 and over	13	16,079,919	95.28
Total	**224**	**16,876,788**	**100.00**

HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS CONTROLLED ENTITIES

ASX ADDITIONAL INFORMATION

AS AT 12 SEPTEMBER 2014 – POST CONSOLIDATION ON 4 JULY 2014

TOP 20 HOLDERS OF EQUITY SECURITIES

Holder	**Shares**	**%**
1 CHARTERHOUSE PTE.LTD.	14,143,175	83.80%
2 NATURAL BEEF PTY LIMITED	396,101	2.35%
3 JANVIN PTY LTD	233,582	1.38%
4 NBT PTY LIMITED <ASTOR SUPER FUND>	192,817	1.14%
5 ANDELAIN PTY LTD <GOSS SUPERANNUATION FUND A/C>	151,516	0.90%
6 HEDGE SUPERANNUATION PTY LTD	151,516	0.90%
7 G J P INVESTMENTS PTY LTD <THE LANGHAM A/C>	146,789	0.87%
8 PARAMOR SUPER PTY LTD <THE PARAMOR SUPER FUND A/C>	126,401	0.75%
9 GRAHAME DOYLE	116,551	0.69%
10 NBT PTY LIMITED <ASTOR SUPER FUND A/C>	114,946	0.68%
11 NBT PTY LIMITED	102,175	0.61%
12 MISS JANE BURTON TAYLOR	102,175	0.61%
13 WYNQUEST HOLDINGS PTY LTD <TBT FAMILY ACCOUNT>	102,175	0.61%
14 NBT PTY LIMITED <ASTOR SUPER FUND A/C>	88,340	0.52%
15 ROBIN MARK JEROME	84,970	0.50%
16 GIBSON CAPITAL PTY LIMITED <SUPER FUND A/C>	73,157	0.43%
17 JANVIN PTY LIMITED	72,944	0.43%
18 LANCELOT CHRISTOPHER FERNANDES	60,607	0.36%
19 WYNQUEST HOLDINGS PTY LIMITED	41,182	0.24%
20 ZOP HOLDINGS PTY LTD	30,987	0.18%
Total Top 20	**16,532,106**	**97.95%**
Total All Shareholders	**16,876,788**	**100.00%**

The names of substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act are:

Name	**No. of ordinary shares**	**%of ordinary shares**
1 CHARTERHOUSE PTE.LTD	14,143,175	83.80%

The number of holders who held less than a marketable parcel of 83,334 shares was 209 investors (at a price of $0.006) and they held 623,559 shares.