managedaccounts holdingslimited

Managed Accounts Holdings Limited – (ASX Code: MGP)

ACN 128 316 441

Annual Report

For the year ended 30 June 2014

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Contents

Company Successes

Surpassed **$1Bn**
in Funds Under Administration

Successful
ASX Listing on 25th June 2014

FUA growth of **35%**
for the 13/14 financial year

MGP Share Price up ~
12.5%
since debut

Exceeded
30 June 2014 targets on FUA
and adjusted Profit

Company revenue up
18.1%
to $3,086,596

Four new Managed Account
Services delivered to high end
IFA firms with total FUM over
$1Bn

Strong cash position of over
$6.4M
cash to fund NTA requirements
on MDA Operators and corporate
activity/acquisition

Report of Chairman and CEO

Dear Shareholder,

On behalf of the Directors of Managed Accounts Holdings Limited (the Company or MGP) we are pleased to announce the results for the Company for the year ended 30 June 2014.

Growing interest from the financial advice industry and in particular, the independent financial advisory (IFA) market, supported by the Future of Financial Advice (FoFA) legislation and a desire to provide better solutions to their clients, has resulted in several groups implementing a managed account solution with MGP. Resultant increases in Funds Under Administration (FUA), coupled with a scalable business model has resulted in a successful year for the Company.

ASX Listing

The Company listed on the Australian Securities Exchange (ASX) on 26th June 2014. As at 26th September 2014 the share price was trading at $0.225 some 12.5% higher than issue price. We believe this to be a strong indicator of support from the market and belief in the Company's business model.

Profit Forecasts Exceeded

We are pleased to report that the Company's adjusted net profit before tax (NPBT) for the year ended 30 June 2014 of $336,241 exceeded the prospectus forecasts of $317,000 (see note below). An increase in FUA (without increasing the cost of delivery) provides a solid base for the Company to meet its prospectus profit forecasts in future years.

Funds Under Administration Forecasts Exceeded

We were delighted to announce in early June that the Company broke through the $1 billion FUA milestone with the June 2014 quarter representing record inflows. FUA as at 30 June 2014 of $1.053 billion exceeded our prospectus forecasts of $1.043 billion, with FUA growth through the year coming from new licensees implementing in the second half of the year and continued organic growth of existing advisory firms using the Company's managed account services.

Growth In Number of Licensees

During the financial year, the Company expanded the number of Australian Financial Services Licensee holders (AFSL) to whom it provides managed account services. Four new licensees' services were implemented in the six months to 30 June 2014 and these represent significant amounts of FUA which will contribute to FUA growth in the 2014/15 and 2015/16 financial years.

New Licensees	Total Licensee FUA
Redgum Wealth	$200m
Affinity Wealth	$180m
GPS Wealth	$650m
Moran Howlett	$160m

A strong new business pipeline is in place with several AFS licensees expected to commence transferring their clients into the Company's managed account services in late 2014.

Expanded Resource Base

To support existing and future business growth, an additional budgeted business development manager was appointed in August 2014 enabling MGP to be better able to match the national footprint of its client base and its prospective client base.

To further assist in supporting the growth of the Company additional resources have been sourced to drive product development and the implementation of strategic initiatives which the Company has identified for the financial year 2015. This will expand MGP's delivery capability in a number of areas and potentially open up new segments of the market not previously available to MGP.

Industry Recognition

Financial Standard (a leading publication for the financial services advisory profession) has recognised the need for better education of managed accounts for advisors by recently launching **"The Journal for Managed Accounts Professionals"** in addition to a dedicated website www.fsmanagedaccounts.com.au. We believe this to be a significant step as it stamps the managed accounts concept as a mainstream solution and will also assist in improving advisor's understanding of managed accounts which the Directors believe may thereby increase the demand for managed accounts.

Capital Requirements Present Opportunities

It is our understanding that Australian Securities and Investments Commission (ASIC) still remains committed to considering proposed changes to its policy on Managed Discretionary Accounts (MDAs) as disclosed in Consultation Paper 200 (CP200). ASIC recently announced that the CP200 review is on hold pending the outcome of the Future of Financial Advice (FoFA) legislative changes and the Financial Services Industry (FSI) reviews. The Company is well placed to meet the proposed changes and is equally able to assist other MDA operators who may not be in a position to meet the proposed net tangible asset requirements of up to $5 million proposed by ASIC in CP200.

We understand that there are over 190 licensees who have an endorsement on their AFS licence to operate MDAs. The Directors believe that the new capital requirements proposed by ASIC in CP200 could encourage them to outsource to providers like the Company.

The Year ahead

Leveraging off our strong finish to the 2013/14 financial year and the Company's continued growth in new managed account services, the Directors are confident the Company will meet its prospectus forecast FUA and profit targets for the 2014/15 financial year and will be in a position to pay quarterly dividends. The Company intends to announce the first dividend in October 2014 (payable in November 2014).

We take this opportunity to thank our clients and shareholders for their continued support for the Company, and we would also like to thank the executive team and employees of the Company for their ongoing dedication and service.

Don Sharp

Executive Chairman
29th September 2014

David Heather

Chief Executive Officer
29th September 2014

Note: **Reconciliation to Reported NPBT**

The adjusted NPBT was $336,241 and after adjusting for one off costs of ASX listing costs ($408,794), FOFA expenses ($121,759), finance costs ($88,636) and assuming the company was listed costs ($93,000) resulted in a loss attributable to members of $189,948.

Business Overview

Outline of our Business

MGP was founded in 2004 by a group of highly experienced financial industry specialists.

MGP has undertaken considerable development and capital expenditure to facilitate the offering of managed accounts in the Australian market. This development has largely focused on:

- Acquisition and maintenance of the appropriate Australian Financial Services License(AFSL)
- Development of relationships with suitable Investment Managers
- Identification of Australian Financial Services Licensees prepared to recommend MGP's managed accounts offering, particularly for their self-managed superannuation fund (SMSF)clients
- Development of MGP's technology solution- Intellectual Property(IP)
- Development of operating processes (IP) to support managed accounts
- Development of the legal structures for offering managed accounts (IP)

Our Business Structure

MGP, through its wholly owned subsidiary Investment Administration Services Pty Ltd (trading as managedaccounts.com.au), has been issued the appropriate AFS License to operate managed accounts and provide custody for both retail and wholesale investors. In turn, MGP appointed HSBC Custody Nominees as sub-custodian for the services delivered.

MGP has a depth of experience implementing the unique and attractive way of structuring an MDA based investment service, with significant Intellectual Property (IP) in the document set that establishes a service.

MGP focuses on designing, implementing and operating private-label investment services, however is fully capable of delivering the more traditional separately managed accounts (SMA) offerings.

Unlike legacy platforms that have bolted on SMA functionality focused only on direct equities, MGP supports a holistic approach across asset classes, with support not only for listed securities including ordinary shares, stapled securities, warrants and listed trusts/ ETFs, but also for managed funds, term deposits, bills/ bonds and other selected assets. With plans to cater for international listed securities over the medium term, MGP continues to push the boundaries of ensuring its capabilities encompass a vast range of asset types.

Given the structure of MGP, for a Licensee wanting to deliver in house portfolio management to its clients, MGP requires the Licensee to have a formally constituted investment committee with at least one independent member as a minimum – which is then subjected to a due diligence process. This not only provides enhanced risk control for the Licensee, but also for MGP.

As a result, MGP continues to build an impressive degree of Funds Under Administration which totalled over $1.053 billion as at 30 June 2014 and growing.

High Quality and Growing Client Base

MGP differentiates itself by providing a decentralised model whereby Licensees and/or their selected Investment Managers are responsible for implementing their Intellectual Property (IP) across investors, including execution of trades with their broker of choice. This replicates the institutional model and is highly attractive to Investment Managers as they retain control of their IP, their existing broking relationships and execution of trades. This is a clear point of differentiation against SMA and Wrap Platform style competitors.

Under the MGP model, Licensees may choose to run investment money themselves or to mandate some or all aspects to external professional managers. The Licensee negotiates fees directly with the managers and is in a strong bargaining position as a result of the cost savings of distribution via a managed account service since there are no additional fees payable by managers (except a small fee for modelling software).

Off the back of a solid 2014 financial year, MGP is well placed in continuing its success for the 2014/ 2015 financial year and beyond. As at the time of writing, the Company has numerous licensees who are at Memorandum of Understanding (MoU) phase and the Directors expect that these will be executed over the coming months. Our strong pipeline of Licensee groups continues to expand, such is the interest in our business model and the value proposition it delivers for a Licensee.

Our Licensees' Clients and SMSFs

The majority of our Licensees specialise in advising their clients, SMSF trustees, on their investments. In fact 70% of our total FUA are SMSFs with an average FUA over $700,000 per account. The Directors believe that:

- The average balance per member in SMSFs is likely to increase significantly
- The average number of members in a SMSF is likely to increase as younger family members are drawn into this tax advantaged facility without having to pool their assets with other family members
- The average number of accounts operated by each member is likely to increase because members can now have both pension and accumulation accounts simultaneously
- Investments will need to be held and tracked at the account level for pension and accumulation assets

Multiple Accounts

Typically, SMSFs currently have only one pool of assets for all their members. This is likely to change in the future as SMSF members are likely to open multiple accounts. This is because the tax-driven encouragement for people to continue working past the age of sixty will make it attractive for people to commence a pension while at the same time continuing to contribute to superannuation.

MGP supports the administration of multiple accounts.

By opening multiple accounts in their SMSFs, members will be able to:

- Generate tax free earnings on the assets backing their pension accounts;
- Draw down tax free pensions from their pension accounts; plus
- Enjoy favourable tax treatment on the contributions they make to their superannuation accumulation account.

In Addition:

- MGP supports multiple accounts and allows securities to be traded once and allocated across the selected accounts

The current pooled investment approach does not appear to be sustainable for a fund where a member commences a pension

- Regular contributions to SMSFs are likely to increase significantly each and every year going forward
- Irregular contributions from the realisation of non-superannuation assets are likely to increase significantly
- The demand for SMSFs to support accumulation and pension accounts for each member is likely to increase significantly
- Compliance requirements in the super industry are increasing which will increase the complexity and administration requirements for SMSFs
- Managed accounts provide more effective and transparent records which will reduce compliance risk
- Manual or labour intensive administration structures will not be able to cope with the increasing complexity
- Managed accounts may benefit from the bring-forward rule where it is possible for investors to contribute up to $450,000 (for the 2014/2015 year) in non-concessional contributions to their superannuation fund in a single financial year- for example, $300,000 in the first year and the balance of $150,000 over the following two years, or any financial combination that adds up to $450,000 over the 3-year period.

Our Industry

There are several features which characterise the Australian retail financial services industry that the Directors believe could lead to strong growth in the managed accounts industry:

- Strong historic and future growth in funds under management supported by bipartisan political commitment to compulsory superannuation
- Heavy use by retail investors of advisory services and the emergence of substantial mid-sized businesses that are strong in advice capability and client management but want to outsource administration services
- Complex tax and compliance requirements underpin the importance and need for advisory organizations
- Advisors will have a significant role in advising Trustees in setting strategies for SMSFs and their members as well as advising on the investments which suit those strategies
- Significant growth in the number of new investment managers and organizations who manage client portfolios

The MGP management team has significant depth of experience in financial markets and financial services, particularly pertaining to the financial advisory market. This has resulted in a superior offering to, and understanding of, the managed account market. MGP has eight years' experience in successfully delivering managed account services to Australian Licensees. All of the management team have been with the Company for more than 5 years.

The management team are complemented by highly experienced Directors, all of whom have deep knowledge in financial markets, financial advisory services, and merger and acquisitions.

The Directors and management believe MGP has the ability to significantly capitalize on its scalable model.

Directors' Report

The Directors present their report together with the financial statements of the consolidated entity, being Managed Accounts Holdings Limited and its controlled entities (the Group) for the year ended 30 June 2014.

Directors

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

Don Sharp BBus, CPA, FAICD

Appointed 11 June 2013

Age 65

Executive Chairman

Don Sharp is a qualified accountant and a highly experienced, innovative and respected business builder and leader in the financial services sector.

Along with fellow Director Colin Scully, he co-founded Bridges Financial Services Pty Ltd an industry leader in financial services well known for establishing one of the first platform solutions for portfolio management in Australia, The Portfolio Service (TPS).

Don is currently a director of Countplus Ltd, an ASX listed company and CEO of the Payment Adviser group of companies. He is also a former Chairman of Investors Mutual, Global Value Investors, and previously ASX listed Premium Investors Limited and a former Director of ASX listed Treasury Group Ltd.

Current Listed company directorships

- Countplus Limited -appointed 6 September 2010

Previous listed company Directorships in last three years

- Nil

Colin Scully FAICD, FFPA, FAIM

Appointed 23 April 2009

Age 59

Non-Executive Director

Colin Scully has over 30 years in the financial services industry.

Colin, along with fellow Director Don Sharp, co-founded Bridges Financial Services Pty Ltd and established one of the first platforms The Portfolio Services (TPS) for portfolio management.

Colin was a former director of the Financial Planning Association (FPA), a director of previously ASX listed IWL Ltd (a stockbroking and financial services company) .Colin is Chairman of the Payment Adviser Group of companies and is a director of a number of private companies.

Colin is Chairman of the Remuneration Committee.

Current Listed company directorships

- Nil

Previous listed company Directorships in last three years

- Nil

Company Secretary

Paul Collins
BAppSc(CompSc), MAICD

Appointed 5 November 2007

Age 54

Non-Executive Director

Paul has over 25 years of experience in the financial services industry.

After employment with IBM and then ComputerPower, Paul established his own consulting company and contracted to various government and financial services organisations, with expertise primarily in software development, operational and relationship management roles.

Taking up the Development Manager role with IOOF for 7 years and being responsible for the redevelopment of multiple investment management platforms onto a new leading edge in-house platform, Paul left to become one of the founding Directors of IWL Ltd (a stockbroking and financial services company) helping to guide it through start up to listing on the ASX.

Having retired from executive roles in 2004, Paul was a founding Director of MGP in 2004 and played a major role in establishing the technological direction of the company.

Paul is Chairman of the Audit and Finance Committee and Risk and Compliance Committee.

Current Listed company directorships

- Nil

Previous listed company Directorships in last three years

- Nil

Jillian McGregor BCom LLB

Appointed 5 June 2014

Jillian McGregor has worked as a corporate lawyer for over 18 years and has a deep knowledge and understanding of the Corporations Act 2001 and the ASX listing rules, including related-party transactions, capital raising requirements and continuous disclosure requirements.

Principal activities

The principal activity of entities within the Group, during the year was:

- The holder of an AFSL licence with an endorsement to operate Managed Discretionary Accounts.

There have been no significant changes in the nature of this activity during the year.

Review of operations and financial results

An analysis of operations of the Group for the financial year is set out in the Report of the Chairman and CEO and in the Business Overview section.

Significant changes in the state of affairs

During the financial year, the following changes occurred within the Group:

On 28 October 2013 the shares of the Company on issue of 118,136,042 were consolidated. Every 7 shares held were converted to 4 resulting in 67,506,315 shares on issue.

Issue of share capital:

- On 20 December 2013, the Company issued 52,703,396 shares as part of its capital raising program which resulted in proceeds after issue costs of $6,099,743 with each share having the same terms and conditions as existing ordinary shares;
- On 12 June 2014, the Company issued 14,963,000 shares as part of the capital raising of its initial public offering (IPO) which resulted in proceeds after issue costs of $2,813,244, with each share having the same terms and conditions as the existing ordinary shares; and
- The Company was listed on the ASX on 25 June 2014 following the initial public offering.

Dividends

No dividends were paid by the Company during the financial year ended 30 June 2014.

Depending on available profits and the financial position of MGP, it is the current intention of the Board to pay interim dividends in respect of the quarters ending 30 September, 31 December, 31 March and final dividends in respect of full years ending 30 June each year. It is expected that once all tax losses are utilised, all future dividends will be franked to the maximum extent possible. The payment of a dividend by MGP is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and the financial condition of MGP, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by MGP, and any other factors the Directors may consider relevant.

Beyond the 2014/2015 financial year, the Directors intend to target a payout ratio of between 60% and 80% of net profit after tax (NPAT) .Until all the tax losses are fully utilized the Directors may distribute from net profit before tax (NPBT). The level of payout ratio is expected to vary between periods depending on the factors above and, in particular, should value accretive strategic growth, acquisition or investment opportunities arise it may result in a payout ratio in the future that is less than the above target.

Having regard to the factors outlined above however, it is the Board's current intention to pay, on a quarterly basis, an unfranked 0.8 cents per share dividend for the 2014/2015 financial year provided the Company remains compliant with section 254T of the Corporations Act 2001.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.

Post Year End

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect either:

- the entity's state of affairs in future financial years or
- the entity's operations in future financial years

Likely developments, business strategies and prospects

The Report of the Chairman and CEO and Business Overview section contains information on the likely developments in the operations, business strategies and prospects of the Group. Some information on likely developments in the Group's operations, future prospects and business strategies of the Group and the expected results of such likely developments has not been included in this report as the Directors believe that the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Directors' Meetings

The number of Directors meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director is as follows:

Directors' Name	Board Meetings		Audit and Finance Committee		Risk and Compliance Committee		Remuneration Committee	
	A	B	A	A	B	B	A	B
Don Sharp	9	9	9	9	9	9	-	-
Colin Scully	9	9	-	-	-	-	1	1
Paul Collins	9	9	9	9	9	9	1	1

Where:

Column A is the number of meetings the Director was entitled to attend.

Column B is the number of meetings the Director attended.

Unissued shares under option

Unissued ordinary shares of the Company under option at the date of this report are:

Options and Share Type	Expiry Date	Exercise Price ($)	Number under Option
Unquoted options over ordinary shares issued on 21 March 2014	25 June 2016	20 cents per option	1,000,000

There are no participating rights or entitlements inherent in the above options and the option holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options without exercising the options.

No shares were issued on the exercise of options during the financial year ended 30 June 2014 or since the end of that financial year.

Remuneration Report (audited)

The Directors present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

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 and employment agreements;

d shares based remuneration; and

e shares held by Directors and Key Management Personnel.

a. Principles used to determine the nature and amount of remuneration

In accordance with best practice corporate governance, the structure of non-executive director and senior executive remuneration is separate and distinct.

The Board has established a Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the executive team.

Non-executive director remuneration

The Board of Directors (Board) seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of a high calibre, while incurring costs that are acceptable to shareholders.

The Company's constitution provides that the non-executive directors will be paid such aggregate remuneration which must not exceed the amount fixed from time to time by the Company in general meeting.

Each non-executive director receives a fixed fee for being a director of the Group.

The amounts of the fixed fees paid to non-executive directors are reviewed by the Remuneration Committee as appropriate. The Board considers fees paid to non-executive directors of comparable companies when undertaking the review process.

Existing director's remuneration

The existing directors are significant shareholders in the Company and have agreed to lower than market rates for the period from 1 February 2014 to 30 June 2015. The executive chairman's fee is $75,000 pa plus SGC superannuation. Non-executive director fees are $1 pa until 30 November 2014.

Executive Remuneration

The principles of the Group's executive remuneration strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

The Company has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary; and
- short-term incentives, being bonuses.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality executive team.

The payment of bonuses, share options and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Short Term Incentive (STI)

Performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on the Company values.

The performance measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Key Performance Indicators (KPIs) for the executive team are summarised as follows:

Performance area:

- **financial:** operating profit and earnings per share; and
- **non-financial:** strategic goals set by each individual business unit based on job descriptions.

The STI program incorporates cash for the executive team and other employees.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and prior financial years. Only the current and prior financial years are disclosed as the group only listed on the ASX in the current financial year.

Item	2014	2013
EPS (cents)	(0.16)	(0.29)
Dividends (cents per share)	-	-
Net profit / loss ($000)	($169)	($194)
Share price ($)	$0.22.5	N/A

b. Details of remuneration

Details of the nature and amount of each element of the remuneration of each Director and Key Management Personnel of the Group are shown in the table below:

Directors and other Key Management Personnel Remuneration										
Employee	Year	Short Term Employee Benefits			Post-Employment Benefits	Long-Term Benefits	Termination Benefits	Share-Based Payments	Total	Performance Based Percentage of Remuneration
		Cash Salary & Fees	Cash Bonus	Non-Monetary Benefits	Superannuation	Long Service Leave	Termination Payments	Options		
Executive Directors										
Don Sharp	2014	31,250	-	-	4,140	-	-	-	35,390	-
	2013	-	-	-	-	-	-	-	-	-
Philip Thomas	2014	-	-	-	-	-	-	-	-	-
	2013	216,424	-	-	16,249	-	169,091	-	401,764	-
Non-Executive Directors										
Colin Scully	2014	1	-	-	-	-	-	-	1	-
	2013	-	-	-	-	-	-	-	-	-
Paul Collins	2014	1	-	-	-	-	-	-	1	-
	2013	-	-	-	-	-	-	-	-	-
Key Management Personnel										
David Heather	2014	179,252	11,100	-	16,631	7,367	-	-	214,350	5%
	2013	151,376	37,173	-	13,623	1,759	-	-	203,931	18%
Neil Pattinson	2014	149,085	-	-	13,790	3,381	-	-	166,256	-
	2013	149,083	-	-	13,417	-	-	-	162,500	-
Sanja Jovicic	2014	100,753	-	-	9,319	3,221	-	-	113,293	-
	2013	83,277	-	-	7,555	-	-	-	90,832	-
2014 Total	**2014**	**460,342**	**11,100**	**-**	**43,880**	**13,969**	**-**	**-**	**529,291**	
2013 Total	**2013**	**600,160**	**37,173**		**50,844**	**1,759**	**169,091**	**-**	**859,027**	

c. Service and employment agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a service agreement. The major provisions of the agreements relating to remuneration are:

Name	Base salary	Term of agreement	Notice period
Don Sharp	81,937	No term	No Notice
David Heather	225,515	No term	3 Months
Neil Pattinson	163,248	No term	1 month
Sanja Jovicic	120,550	No term	1 month

During 2014, Donald Financial Enterprises Pty Ltd an entity controlled by Don Sharp was paid consulting fees during the year valued at $60,000(2013: Nil)

There were no loans or other transactions with Directors or other Key Management Personnel.

d. Share based remuneration

No options were granted to the Directors or any other KMP as share-based compensation during the financial year.

A cash bonus fully vested and paid to David Heather during the financial year. On 1st February David Heather was appointed as the company CEO and no bonus arrangements were included.

The Directors intend to review share based remuneration once the federal government's proposed changes to the taxation of options are resolved.

At that time the Directors intend to develop long term incentive based options or other suitable plans.

e. Shares held by Directors and Key Management Personnel

The number of ordinary shares in the Company during the 2013/ 2014 financial year held by each of the Directors and Group's Key Management Personnel, including their related parties, are set out below:

Year Ended 30 June 2014					
Directors and Personnel	**Balance at Start of Year**	**Granted as Remuneration**	**Received on Exercise**	**Other Changes**	**Held at the End of Reporting Period**
Don Sharp	18,093,389	-	-	6,787,433	24,880,822
Colin Scully	18,093,389	-	-	6,777,433	24,870,822
Paul Collins	18,093,388	-	-	5,386,500	23,479,888
David Heather	4,250,001	-	-	-	4,250,001
Neil Pattinson	-	-	-	100,000	100,000

None of the shares included in the table above are held nominally by David Heather, Colin Scully or Paul Collins.

Don Sharp holds an additional 10,000 ordinary shares which are beneficially owned whereas the 24,870,822 ordinary shares are nominally held.

The shares held by Neil Pattinson are beneficially owned.

No options or shares based entitlements were issued to key management personnel.

End of Audited Remuneration Report.

Indemnities and insurance provided to Directors, Officers and Auditors

During the financial year the Company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors and the Company Secretary.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the insurance contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Non-audit services

During the year the Company's auditors performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 20 to the Financial Statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on the page 18 of the financial report and forms part of this Directors' Report.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001

Don Sharp
Director

29th September 2014

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Auditor's Independence Declaration
To the Directors of Managed Accounts Holdings Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Managed Accounts Holdings Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M Leivesley
Partner - Audit & Assurance

Sydney, 29 September 2014

Corporate Governance Statement

The official listing date of the Company on the ASX was 25 June 2014. As the Company was not listed from 1 July 2013 until 25 June 2014, the Company did not comply with the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council for the whole or part of this period. The responses to the recommendations below are prepared with respect to the period 25 June 2014 until 30 June 2014 (that is, the 6 day period during the financial year that the Company was listed on ASX) (Relevant Period).

This Corporate Governance Statement has been prepared on the basis of the recommendations in the 3rd edition of the Corporate Governance Principles and Recommendations for the Relevant Period.

Corporate Governance Council recommendation		Response to recommendation
1.	**Lay solid foundation for management and oversight**	
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	These matters are disclosed in the Board Charter in the Corporate Governance section of the Company's website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Not applicable during the Relevant Period (25 June 2014 to 30 June 2014).
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company had a written agreement with each senior executive and director setting out the terms of their appointment during the Relevant Period.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary of the Company has been appointed on this basis.

Corporate Governance Council recommendation		Response to recommendation
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	The Company does not have a diversity policy which includes requirements for measurable objectives for achieving gender diversity and an annual assessment of the objectives and progress towards them. Given the size of the Company and its stage of development, the board of the Company (Board) does not think it is appropriate to have a diversity policy which includes these requirements. As the Company grows and requires more employees, the Company will consider whether it is appropriate to adopt a diversity policy which includes these requirements. The Company is committed to diversity including, but not limited to gender, age, ethnicity and cultural background. The Company recognises the benefits arising from employee and Board diversity and the importance of benefiting from all available talent. As at 30 June 2014, the respective proportions of men and women in the Company was: • Board – 3 positions with 3 male, 0 female • Senior Executives (those with line responsibilities and employees reporting to them) – 4 positions with 2 male and 2 female • Across the organisation – 19 positions (full time and part time or contract) with 10 male and 9 female
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Company has a Board Performance Evaluation Policy in the Corporate Governance section of its website. This policy discloses the Company's process for periodically evaluating the performance of the board, its committees and individual directors. An evaluation under this policy was not undertaken in the 6 day Relevant Period.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Company has a process for periodically evaluating the performance of its senior executives. The Company signs all employees to its Human Resources Policy Handbook which outlines the Company's performance evaluation approach. This includes setting Key Performance Indicators for senior executives that are aligned to the Company's annual business plan. Performance reviews of senior executives commenced in April 2014 and in doing so, the CEO has established a project to review and update the process for the coming reporting period.

Corporate Governance Council recommendation		Response to recommendation
2.	**Structure the board to add value**	
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **<u>OR</u>** (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	The Board has a nomination committee. However it has only two members and both members are not independent directors. The committee is not chaired by an independent director. This is because the current board is comprised of only 3 directors (one of which is an executive director) and does not have any directors that are independent. The committee is comprised of Colin Scully (Chair) and Paul Collins, both non-executive directors. Despite the fact that the directors on the committee are not independent, the Board believes that the current committee membership is able to appropriately perform the role of the nomination committee in addressing board succession issues and ensuring that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. The nomination committee has a charter disclosed on the Company's website under "Remuneration and Nomination Committee Charter" in the Corporate Governance section. The nomination committee did not meet during the reporting period.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Company has not complied with this recommendation due to the fact that this guideline is a new requirement of the 3rd edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	As currently comprised, the Board has two non-executive directors (Colin Scully and Paul Collins). Both Mr Scully and Mr Collins are not independent as they are substantial shareholders of the Company. The third board member is Don Scully who is an executive director of the Company. Accordingly, the Company has no independent directors. Don Sharp was first appointed as a director of the Company on 11 June 2013, Colin Scully on 23 April 2009 and Paul Collins on 5 November 2007.

Corporate Governance Council recommendation		Response to recommendation
2.4	A majority of the board of a listed entity should be independent directors.	The Company does not comply with this recommendation (see recommendation 2.3 response above). However, in light of the relevant quantitative and qualitative considerations, the Board considers both Mr Scully and Mr Collins to be operating with objectivity, notwithstanding their shareholdings in the Company. The Board considers that the substantial shareholdings of Mr Scully and Mr Collins will help to align the interests of those directors with those of other security holders and will not compromise the ability of those directors to act in the best interests of the Company and its security holders generally. The independence of the Board is subject to continual evaluation. Ultimately, however, the Board accepts that its members remain in office upon the vote of the Company's shareholders and that they may elect members to the Board regardless of their standing, independent or otherwise.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chair of the Board is Don Sharp. He is not the Chief Executive Officer of the Company. However, he is not an independent director as he is an executive director and is a substantial shareholder of the Company. Nevertheless, the Board remains of the view that it is in the best interests of the Company for Mr Sharp to continue as Executive Chairman given his wealth of experience. Additionally, the Board derives comfort from the ability of individual directors to seek independent professional advice which is made available at the expense of the Company.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	The Company has not complied with this recommendation given it is a recent change to the Corporate Governance Council recommendations but the Board will aim to formalise such a program in the future.
3.	**Act ethically and responsibly**	
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	The Company has a Code of Conduct in the Corporate Governance section of its website. The Code applies to all directors, employees, contractors and officers of the Company.

Corporate Governance Council recommendation		Response to recommendation
4.	**Safeguard integrity in corporate reporting**	
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The Board has an audit committee. It has three members and all three members are not independent directors. Don Sharp is an executive director and is on the audit committee. Don Sharp is on the committee due to his accounting expertise. The committee is not chaired by an independent director. This is because the Board does not have any directors that are independent (see recommendations 2.3 and 2.4 responses above). The committee is comprised of Don Sharp, Colin Scully and Paul Collins (Chair). Paul Collins is not the Chair of the Board. The relevant qualifications and experience of the committee members is disclosed under Board of Directors in the Corporate Governance section on the Company's website. Despite the fact that the directors on the committee are not independent, the Board believes that the current committee membership is able to appropriately perform the role of the audit committee to verify and safeguard the integrity of corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. The audit committee has a charter disclosed on the Company's website under "Audit Committee Charter" in the Corporate Governance section. The audit committee met on 22/8/13, 26/9/13, 17/10/13, 21/11/13, 20/2/14, 20/3/14, 1/5/14 and 3/6/14 with all members of the committee attending those meetings.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Not applicable for the Relevant Period (25 June 2014 to 30 June 2014) as no financial statements were approved during this period. The financial statements for the full financial year ending 30 June 2104 were approved after receiving this declaration.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable for the Relevant Period (25 June 2014 to 30 June 2014). No AGM was held during this period. The Company will comply for the 2014 annual general meeting.

Corporate Governance Council recommendation		Response to recommendation
5.	**Make timely and balanced disclosure**	
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	The Company has a Continuous Disclosure Policy in the Corporate Governance section of the Company's website.
6.	**Respect the rights of security holders**	
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company provides information about itself and its governance to investors via its website at www.managedaccounts.com.au.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company is a relatively small listed company and its investor relations program involves actively engaging with security holders at the annual general meeting, meeting with them upon request (if appropriate) and responding to any enquiries they may make from time to time.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company's meetings are intended to give shareholders an opportunity to consider and vote on the resolutions before the meeting and ask questions of the Board, management and auditor (if relevant) generally on the items of business before the meeting, the management of the Company or the conduct of the audit and the auditor's report (for an annual general meeting). The Company's policies to facilitate and encourage participation at meetings include to provide a reasonable opportunity for shareholders, as a whole at the meeting, to ask questions of the Board, answer shareholders' questions honestly and fairly and inform shareholders as to the proxy position with respect to the resolutions to be considered by the meeting and the manner in which the chairman of the meeting intends to vote available proxies.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.

Corporate Governance Council recommendation		Response to recommendation
7.	**Recognise and manage risk**	
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	The Board has a risk committee. It has two members and the members are not independent directors. The committee is not chaired by an independent director. This is because the Board does not have any directors that are independent (see recommendations 2.3 and 2.4 responses above). The committee is comprised of Don Sharp and Paul Collins (Chair). Despite the fact that the directors on the committee are not independent, the Board believes that the current committee membership is able to appropriately perform the role of the risk committee to oversee the Company's risk management framework. The risk committee has a charter disclosed on the Company's website under "Risk Management Policy" in the Corporate Governance section. The risk committee met on 22/8/13, 26/9/13, 17/10/13, 21/11/13, 20/2/14, 20/3/14, 1/5/14 and 3/6/14 with all members of the committee attending those meetings.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The risk committee instigated 2 external reviews of the Company's risk management framework during the financial year 1 July 2013 to 30 June 2014 (the second one after an ASIC on site surveillance visit in February 2014) to satisfy itself that the framework continues to be sound. An executive risk management committee meets weekly and reports monthly to the risk committee of the Board.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; **OR** (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company does not have an internal audit function due to the relatively small size of the Company. However, the Company has a robust set of documented processes and procedures. These form the basis of a GS007 Management Report which is refined on an annual basis and used by the external auditors to audit compliance with ASIC Class Order requirements. An executive risk management committee meets weekly and reports monthly to the risk committee of the Board.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company has not complied with this recommendation due to the fact that this guideline is a new requirement of the 3rd edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

Corporate Governance Council recommendation		Response to recommendation
8.	**Remunerate fairly and responsibly**	
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	The Board has a remuneration committee. However it has only two members and both members are not independent directors. The committee is not chaired by an independent director. This is because the current board is comprised of only 3 directors (one of which is an executive director) and does not have any directors that are independent. The committee is comprised of Colin Scully (Chair) and Paul Collins, both non-executive directors. Despite the fact that the directors on the committee are not independent, the Board believes that the current committee membership is able to appropriately perform the role of the remuneration committee in setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. The remuneration committee has a charter disclosed on the Company's website under "Remuneration and Nomination Committee Charter" in the Corporate Governance section. The remuneration committee did not meet during the reporting period.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The Company has separately disclosed its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in its annual report for the financial year 1 July 2013 to 30 June 2014.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Company does not have an equity-based remuneration scheme.
-	*Alternative to Recommendation 1.1 for externally managed listed entities:* The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	Not applicable
-	*Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:* An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	Not applicable


FUA growth of 35%
for the 13/14 financial year

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2014

	Notes	2014 $	2013 $
Revenue	16	3,086,596	2,613,455
Less Transaction costs		(720,392)	(589,196)
Gross Profit		**2,366,204**	**2,024,259**
Interest and other income	18	86,053	11,848
		2,452,257	**2,036,107**
Expenses			
ASX listing costs	17	(408,794)	-
Salary and employee benefits expense		(1,492,657)	(1,677,277)
Depreciation and amortization	8	(3,313)	(8,847)
Premises expense		(78,859)	(97,294)
FOFA costs	17	(121,759)	-
Finance costs	17	(89,245)	(92,268)
Other expenses	17	(447,578)	(395,054)
Loss before tax		**(189,948)**	**(234,633)**
Tax benefit/(expense)	19	21,429	40,495
Loss for the year		**(168,519)**	**(194,138)**
Other comprehensive income:		-	-
Total comprehensive income for the year		-	-
Total comprehensive income for the year attributable to ordinary equity members of Managed Accounts Holdings Limited		**(168,519)**	**(194,138)**

		2014 Cents	2013 Cents
Earnings per share			
Basic earnings per share:	21	(0.16)	(0.29)
Diluted earnings per share:	21	(0.16)	(0.29)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

For the year ended 30 June 2014

	Note	2014 $	2013 $
Assets			
Current			
Cash and cash equivalents	6	3,425,808	245,494
Other financial assets	7	3,000,000	-
Trade and other receivables	11	1,496,697	1,155,260
Total Current Assets		**7,922,505**	**1,400,754**
Non-Current			
Property, plant and equipment	8	9,109	12,422
Deferred tax assets	10	1,358,190	1,215,495
Total Non-Current Assets		**1,367,299**	**1,227,917**
Total Assets		**9,289,804**	**2,628,671**
Liabilities			
Current			
Trade and other payables	15	1,165,707	1,095,028
Provisions	14	132,238	123,508
Current Liabilities		**1,297,945**	**1,218,536**
Non-Current			
Redeemable Preference Shares	13	-	2,307,296
Provisions	14	25,148	1,662
Non-Current Liabilities		**25,148**	**2,308,958**
Total Liabilities		**1.323,093**	**3,527,494**
Net Assets		**7,966,711**	**(898,823)**
Equity			
Equity attributable to owners of the Parent:			
Share capital	12	12,674,253	3,640,200
Accumulated losses		(4,707,542)	(4,539,023)
Total Equity		**7,966,711**	**(898,823)**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2014

	Notes	Share Capital $	Accumulated Losses $	Total Equity $
Balance at 1 July 2012		**3,640,200**	**(4,344,885)**	**(704,685)**
Loss for the year			(194,138)	(194,138)
Other comprehensive income		-	-	-
Total comprehensive income		-	-	-
Balance at 30 June 2013		**3,640,200**	**(4,539,023)**	**(898,823)**
Balance at 1 July 2013		**3,640,200**	**(4,539,023)**	**(898,823)**
Issue of share capital 20 December 2013		6,324,407		6,324,407
Cost of share issue		(157,265)		(157,265)
Issue of share capital 12 June 2014		2,992,600		2,992,600
Cost of share issue		(125,689)		(125,689)
Loss for the year			(168,519)	(168,519)
Other comprehensive income		-	-	-
Total comprehensive income		-	-	-
Balance at 30 June 2014		**12,674,253**	**(4,707,542)**	**7,966,711**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2014

	Notes	2014 $	2013 $
Operating activities			
Receipts from customers		2,745,156	2,451,189
Payments to suppliers and employees		(3,167,141)	(2,486,872)
Interest received		86,053	11,848
Interest paid		(609)	(840)
Net cash used in operating activities	22	**(336,541)**	**(24,675)**
Investing Activities			
Term deposit		(3,000,000)	-
Net cash from investing activities		**(3,000,000)**	**-**
Financing activities			
Redemption of preference shares	13	(2,000,000)	-
Finance costs dividend preference shares	13	(395,932)	-
Proceeds from issue of share capital		9,317,007	-
Cost of Share Issue		(404,220)	
Net cash from / (used in) financing activities		**6,516,855**	**-**
Net change in cash and cash equivalents		3,180,314	(24,675)
Cash and cash equivalents, beginning of year		245,494	270,169
Cash and cash equivalents, end of year	**6**	**3,425,808**	**245,494**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 Nature of operations

Managed Accounts Holdings Limited and its subsidiaries' (the Group) principal activities include the holding of an Australian Financial Services Licence (AFSL) with an endorsement to operate Managed Discretionary Accounts.

2 General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared on accrual basis, based on historical cost unless otherwise stated and in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). Managed Accounts Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

Managed Accounts Holdings Limited is the Group's ultimate Parent Company. Managed Accounts Holdings Limited is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Suite 2, Level 4, 8-10 Loftus Street, Sydney, Australia.

The consolidated financial statements for the year ended 30 June 2014 were approved and authorised for issue by the Board of Directors on 29th September 2014

3 Changes in accounting policies

3.1 New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

AASB 10 Consolidated financial statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and AASB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

AASB 11 Joint arrangements

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AAS 131) and AASB Interpretation 113 Jointly Controlled Entities- Non-Monetary-Contributions by Venturers. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

Management has reviewed its arrangements in accordance with AASB 11 and has concluded that there is no effect on the annual report for the year ended 30 June 2014.

AASB 12 Disclosure of interests in other entities

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. Management believe that AASB 12 does not affect the annual report for the year ended 30 June 2014.

AASB 13 Fair value measurement

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

The Group has applied AASB 13 for the first time and there was minimal impact as the Group does not hold any asset or liability at fair value.

Amendments to AASB 119 employee benefits

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- Eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- Change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- Enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. The Group does expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 Presentation of Financial Statements.

3.2 Accounting standards issued but not yet effective and not been adopted early by the group

AASB 2014 -1 Amendments to Australian Accounting Standards

Part A of AASB 2014 -1 makes amendments to 1 July 2014 various Australian Accounting Standards arising from the issuance by the International Accounting Standards (IASB) of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 cycle and Annual Improvements to IFRSs 2011-2013 Cycle. Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

(a) Clarify the definition of a 'related party ' includes a management entity that provides key management personnel services to the entity (either directly or through a group entity); and

(b) Ament AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.

When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the entity.

AASB 9 Financial instruments

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning after January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is expected to have no impact on the Company's financial assets and financial liabilities.

IFRS 15 Revenue from contracts with customers

IFRS 15:

- replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue-related Interpretations
- establishes a new control-based revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue

Managed Accounts Holdings Limited has not yet assessed the full impact of this standard.

4 Summary of accounting policies

4.1 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2014. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

4.3 Segment reporting

The Group has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the Chief Executive Officer. On review, management has determined that there are no operating segments within the definition of AASB 8 to be disclosed.

The Group treats their operations as one and reports accordingly. The Chief Executive Officer reviews the results of the consolidated entity as a whole.

4.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount can be reliably measured; it is probable that future economic benefits will flow to the consolidated group and specific criteria for each of the activities.

Revenue is recognised for the major business activities as follows:

Platform revenue

- FUA revenue: revenue is recognised as the service is provided, i.e. on a monthly basis based on a percentage of FUA per the contract with the client;
- Transaction/brokerage fees: these fees are recognised at the date of the transaction; and
- Implementation fees: these fees are recognised on a stage of completion basis, depending upon the phase of the implementation process.

Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

One customer represents more than 10% of revenue in the financial year 12.8% (2013- 14 %).

4.5 Property, plant and equipment

IT equipment and other equipment

IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost. Leasehold Improvements, IT equipment and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a diminishing basis to write down the cost, IT equipment and other equipment. The following depreciation are applied:

- IT equipment: 40 to 50% of the written down value.
- other equipment: 10 to 20% of the written down value.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

4.6 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Managed Accounts Holdings Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated entity under the tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2008. Investment Administration Services Pty Ltd and Investment Administration Services Developments Pty Ltd joined the consolidated tax group 1 July 2008. The tax consolidated group has entered a tax funding arrangement whereby each entity in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

4.8 Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits/ (losses).

4.9 Provisions

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. 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. Provisions are discounted to their present values, where the time value of money is material.

4.10 Goods and services tax (GST)

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

Cash flows are presented in the statement of cash flows on a net of GST basis.

4.11 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Critical accounting estimates and judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Deferred tax assets

Deferred tax assets relating to unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The directors are of the opinion that the full amount of the taxable loss generated in previous years will be recognised against future taxable income as set out in the forecasts prepared by management. This determination requires judgement. In making this judgement, the directors evaluate, among other things, factors such as the Group's forecast operational and financing cash flows, Funds Under Administration growth and expectations of industry and sector performance.

Employee leave benfits

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

5 Interests in subsidiaries

Set out below details of the subsidiaries held directly by the Group:

Name of the Subsidiary	Country of Incorporation & Principal Place of Business	Principal Activity	Group Proportion of Ownership Interests	
			30-Jun-14	30-Jun-13
Investment Administration Services Pty Ltd trading as managedaccounts.com.au	Incorporated in Australia Suite 2,Level 4 8-10 Loftus Street Sydney NSW 2000	Australian Financial Service license holder with endorsement to operate Managed Discretionary Accounts	100%	100%
Investment Administration Services Developments Pty Ltd	Incorporated in Australia Suite 2,Level 4 8-10 Loftus Street Sydney NSW 2000	Owns Intellectual Property and Software which is licensed to Investment Administration Services Pty Ltd	100%	100%

6 Cash and cash equivalents

Cash and cash equivalents include the following components

	2014 $	2013 $
Cash at banks	3,425,808	245,494
	3,425,808	**245,494**

On the 30 June 2014 cash totalling $ 3,198,984 was withdrawn from cash at call account earning 2.3% pa. Post 30 June 2014 $2,700,000 of these funds was invested in banks term deposits. Interest earned on the weighted average balance of all term deposits totalling $5,700,000 was 3.65% pa.

7 Other financial assets

	2014 $	2013 $
Bank term deposit	3,000,000	-
	3,000,000	**-**

8 Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

	Leasehold Improvements $	IT Equipment $	Other Equipment $	Total $
Gross carrying amount				
Balance 1 July 2013	7,112	122,125	12,112	141,349
Additions	-	-	-	-
Balance 30 June 2014	**7,112**	**122,125**	**12,112**	**141,349**
Depreciation				
Balance 1 July 2013	7,112	114,832	6,983	128,927
Depreciation	-	2,685	628	3,313
Balance 30 June 2014	**7,112**	**117,517**	**7,611**	**132,240**
Carrying amount 30 June 2014	**-**	**4,608**	**4,501**	**9,109**

	Leasehold Improvements $	IT Equipment $	Other Equipment $	Total $
Gross carrying amount				
Balance 1 July 2012	7,112	122,125	12,112	141,349
Additions	-	-	-	-
Balance 30 June 2013	**7,112**	**122,125**	**12,112**	**141,349**
Depreciation				
Balance 1 July 2012	7,112	107,434	6,253	120,799
Depreciation	-	7,398	730	8,128
Balance 30 June 2013	**7,112**	**114,832**	**6,983**	**128,927**
Carrying amount 30 June 2013	**-**	**7,293**	**5,129**	**12,422**

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

9 Financial assets and liabilities

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables $1,496,697
- cash and cash equivalents $6,425,808
- trade and other payables $1,165,707

10 Deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

Deferred Tax Assets	1-Jul-13	Recognised in OCI	Recognised in Business Combination	Recognised in Profit & Loss	30-Jun-14
	$	$	$	$	$
Current liabilities					
Provisions	62,897	-	-	(51,497)	11,400
Superannuation and other employee obligations	37,551	-	-	11,044	48,595
Non-Current					
ASX listing and capital raising costs deductible in future years	-	-	-	195,122	195,122
Unused tax losses	1,115,048	-	-	(11,975)	1,103,073
	1,215,496	-	-	**142,694**	**1,358,190**

Deferred Tax Assets	1-Jul-12	Recognised in OCI	Recognised in Business Combination	Recognised in Profit & Loss	30-Jun-13
	$	$	$	$	$
Current liabilities					
Provisions	9,420	-	-	53,477	62,897
Superannuation and other employee obligations	42,804	-	-	(5,253)	37,551
Non-Current					
Unused tax losses	1,127,886	-	-	(12,839)	1,115,047
	1,180,110	-	-	**35,385**	**1,215,495**

All deferred tax assets (including tax losses and other tax credits) have been recognised in the statement of financial position.

11 Trade and other receivable

Trade and other receivables consist of the following:

	2014 $	2013 $
Current		
Trade receivables	1,307,876	1,017,616
Bank deposits securing bank guarantee on property lease	71,228	70,012
Other receivables	70,793	25,447
Prepayments	46,800	42,185
	1,496,697	**1,155,260**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables have been reviewed for indicators of impairment, with no impairment charge or provisions recorded.

12 Share capital

The share capital of Managed Accounts Holdings Limited consists only of fully paid ordinary shares; the shares do not have a par value.

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Managed Accounts Holdings Limited

	2014 Shares	2013 Shares	2014 $	2013 $
Shares issued and fully paid:				
Beginning of the year	67,506,315*	118,136,042*	3,640,200	3,640,200
Share Issue 20 December 2013	52,703,396		6,167,142	
Share issues 12 June 2014	14,963,000		2,866,911	
Total contributed equity at 30 June	**135,172,711**	**118,136,042**	**12,674,253**	**3,640,200**

*The shares issued were 118,136,042 which were consolidated on 28 October 2013.Every 7 held they were converted to 4 ordinary shares.

The company issued 52,703,396 shares on 20 December 2013 and 14,963,000 on 12 June 2014, corresponding to 50.06% of total shares issued. Each share has the same right to receive dividends and the repayment of capital and represents one vote at the shareholders' meeting of Managed Accounts Holdings Limited.

13 Redeemable Preference Shares

There were two types of Redeemable Preference shares on issue (H&J).The J class shares were fixed coupon payable on maturity and had a maturity date. The H class shares had a fixed term and were entitled to dividends when the company was profitable.

Under AASB132 these redeemable preference shares are classified as a liability as they had a fixed coupon and maturity date.

On 20 December 2013 all preference shares were repaid amounting to $2,000,000 plus dividends outstanding of $395,932 and the shares were cancelled.

14 Provisions

The carrying amounts and movements in the provisions are set out below:

Employee Benefits-Current	2014 $	2013 $
Carrying amount 1 July 2013	123,508	142,681
Additional provisions	8,730	(19,173)
Carrying amount 30 June 2014	**132,238**	**123,508**
Employee Benefits-Non Current		
Carrying amount 1 July 2013	1,662	-
Additional provisions	23,486	1,662
Carrying amount 30 June 2014	**25,148**	**1,662**

15 Trade and other payables

Trade and other payables consist of the following:

Trade and Other Payables	2014 $	2013 $
Current:		
Trade payables	1,061,757	818,328
Other payables	103,950	276,700
	1,165,707	**1,095,028**

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

16 Revenue

	2014 $	2013 $
Service Fees	2,933,509	2,554,250
Interest	86,053	11,848
Other income	67,034	47,357
	3,086,596	**2,613,455**

17 Expenses

Finance costs and other costs for the reporting periods consist of the following:

	2014 $	2013 $
ASX listing costs		
ASX fees	62,851	-
Professional fees	276,914	-
Marketing	42,976	-
Printing and Design	26,053	-
	408,794	**-**
FOFA costs		
Cost of new client documents ,legal ,change name and RITC adjustment	**121,759**	**-**
Finance costs		
Dividends paid on preference shares	88,636	91,428
Interest paid	609	840
	89,245	**92,268**

	2014 $	2013 $
Other expenses		
Consulting fees	90,163	7,996
Occupancy	85,351	103,587
Professional fees	68,604	98,922
Insurance	53,963	45,959
Travel costs	55,666	28,248
Other	93,831	110,342
	447,578	**395,054**

18 Finance incomes

Interest Income

	2014 $	2013 $
Interest income from cash and cash equivalents	**86,053**	**11,848**

19 Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Managed Accounts Holdings Limited at 30% (2013: 30%) and the reported tax expense in profit or loss are as follows:

	2014 $	2013 $
Loss before tax	(189,948)	(234,633)
Prima facie tax rate	30%	30%
Expected tax expense/(benefit)	(56,984)	(70,390)
Adjustment for non-deductible expenses:		
Dividend paid on H&J Preference shares	26,591	27,429
Entertainment	8,354	2,466
Other non-deductible expenses	610	-
Tax expense /(benefit)	**(21,429)**	**(40,495)**

Tax Expense comprises:

	2014 $	2013 $
Current tax expense	121,265	(5,110)
Deferred tax expense/(income)		
Origination and reversal of temporary differences	(154,669)	(48,224)
Utilization of unused tax losses	11,975	12,829
Tax Expense/(benefit)	**(21,429)**	**(40,495)**

20 Auditor remuneration

	2014 $	2013 $
Audit and review of financial statements		
Auditors-Grant Thornton	46,000	-
Auditors-Hill Rodgers Spencer Steer	-	18,500
Total Audit and Review of financial statements	**46,000**	**18,500**
Other services		
Auditors of Managed Accounts Holdings Limited		
Investigating Accountants Report for prospectus-Grant Thornton	67,500	-
Other assurance services-Grant Thornton	21,000	-
Other assurance services-Hill Rodgers Spencer Steer	-	12,500
Income tax advice-Hill Rodgers Spencer Steer	-	8,230
Total other service remuneration	**88,500**	**20,730**
Total auditor's remuneration	**134,500**	**39,230**

21 Earnings per share and dividends

21.1 Earnings per share

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Company, Managed Accounts Holdings Limited as the numerator (i.e. no adjustments to profit were necessary in 2013 or 2014).

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	2014	2013
Weighted average number of shares used in basic earnings per share	**103,679,224**	**67,506,315***

*The shares issued were 118,136,042 which were consolidated on 28 October 2013. Every 7 held they were converted to 4 ordinary shares.

Anti-dilutive options not used in dilutive EPS calculation was $1,000,000.

21.2 Dividends

No Dividends were paid during the year and the directors have not provided for a dividend for the financial year.

21.3 Franking credits

The group has not paid income tax and there are no franking credits.

22 Reconciliation of cash flows from operating activities

Reconciliation of Cash Flows From Operating Activities	2014 $	2013 $
Cash flows from operating activities		
Profit/Loss for the year	(168,519)	(194,138)
Adjustments for:		
Depreciation and amortization	3,313	8,847
Preference dividends accrued included in financing activities	88,636	91,428
Tax expense included in investing		
Net changes in working capital:		
Change in trade and other receivables	(341,438)	(162,264)
Change in trade and other creditors	70,679	273,044
Change in deferred tax	(21,429)	(40,495)
Change in provisions	32,217	(1,097)
Net cash used in operating activities	**(336,541)**	**(24,675)**

23 Related party transactions

The Group's related parties include its subsidiaries, key management and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

23.1 Transactions with related party

During 2014, Donald Financial Enterprises Pty Ltd an entity controlled by Don Sharp was paid consulting fees during the year valued at $60,000(2013: Nil)

23.2 Transactions with key management personnel

Key Management Personnel remuneration includes the following expenses:

	2014 $	2013 $
Salaries including bonuses	529,289	694,379
Total short term employee benefits	529,289	694,379
Total post –employment benefits		
Termination benefits	-	164,648
Total remuneration	**529,289**	**859,027**

24 Contingent liabilities

The group has no material contingent liabilities

25 Financial instrument risk

25.1 Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in the Notes.The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Market Risk Analysis

25.2 Interest rate sensitivity

The Group has no borrowings.

The Group invests surplus cash in Australian banks term deposits and in doing so is exposed to fluctuations in interest rates that are inherent in such a market. Relatively small balances are held at call for day to day activities.

The Group is expected to be profitable and should require no cash other than the cash holding it has for working capital.

The amounts subject to cash flow interest rate movements are term deposits as recorded in the statement of financial position and note 7. The consolidated entity has a net cash surplus invested in bank term deposits totalling $3,000,000 (2013: Nil).

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/-1% (2013: +/-1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the Year		Equity	
	$	**$**		
	+1%	**-1%**	**1%**	**-1%**
30 June 2014	30,000	30,000	30,000	30,000
30 June 2013	-	-	-	-

25.3 Credit risk analysis

Credit risk is the risk that counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits with banks etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2014	**2013**
	$	**$**
Classes of financial assets		
Carrying amounts:		
Deposits with banks	3,000,000	-
Cash with banks	3,425,808	245,494
Trade and other receivables	1,496,697	1,155,260
	7,922,505	**1,400,754**

The majority of the Group's income is received from clients where the Group holds their assets in Managed Discretionary Accounts including cash. Monthly the fee agreed with the client is calculated and debited to their account and paid to the Group. There are no funds owing to the Group longer than 90 days

The board receives monthly reports summarising trade receivables balances and aging profiles of the total trade receivables.

Amounts at 30 June, analysed by the length of time past due, are:

	2014	**2013**
	$	**$**
Not more than three (3) months	Nil	Nil
More than three (3) months but not more than six (6) months	Nil	Nil

25.4 Liquidly risk

The bulk of the company's income is received by charging clients fees which are collected from cash held by clients in the company's Managed Accounts service. The clients have instructed the company to debit their account for fees.

	Current		Non-current	
	Within Six (6) Months $'000	Six (6) - Twelve (12) Months $'000	One (1) - Five (5) Years $'000	Later than Five (5) Years $'000
30 June 2014				
Trade and other payables	1,165,707	-	-	-

26 Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders
- by pricing products and services commensurately with the level of risk.

ASIC has announced a review of the capital requirements for Managed Discretionary Accounts (MDA) licence holders. As a result of a recent ASIC CP 200 review, all MDA operators NTA capital requirements could be up to $5 million. Based on our current Funds Under Advice our requirement would be $5 million. ASIC recently announced that the CP200 review is on hold pending the outcome of the Future of Financial Advice (FoFA) legislative changes and the Financial Services Industry (FSI) reviews are known. These changes would increase our capital requirement from $150,000 to $5,000,000

26.1 Parent entity information

Information relating to Managed Accounts Holdings Limited ('the parent entity')

	2014 $	2013 $
Statement of financial position		
Non-Current assets	12,145,244	6,347,226
Total assets	**12,145,244**	**6,347,226**
Current liabilities	404,772	1,582,943
Total liabilities	**404,772**	**1,582,943**
Net assets	**11,740,472**	**4,764,283**
Issued capital	12,674,253	5,640,200
Retained earnings	(933,781)	(875,917)
Total Equity	**11,740,472**	**4,764,283**
Statement of profit or loss and other comprehensive income		
Loss for the year	(57,864)	(94,871)
Other comprehensive income	-	-
Total comprehensive income	**(57,864)**	**(94,871)**

The Parent Entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at the year end.

27 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.

Directors' Declaration

The Directors of the Company declare that:

1. In the Director's opinion the consolidated financial statements and notes of Managed Accounts Holdings Limited are in accordance with the Corporations Act 2001, including

   i Giving a true and fair view of its financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and

   i Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

2. In the Director's opinion there are reasonable grounds to believe that Managed Accounts Holdings Limited and the Group will be able to pay their debts as and when they become due and payable.

3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2014.

4. The note to the financial statements confirms that the consolidated financial statements also comply with International Financial Reporting Standards; and

5. The remuneration disclosures contained in the Remuneration Report comply with section 300A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001:

Director

Don Sharp

Dated 29th September 2014

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
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Independent Auditor's Report
To the Members of Managed Accounts Holdings Limited

Report on the financial report

We have audited the accompanying financial report of Managed Accounts Holdings Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, 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 us to 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.

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

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

Auditor's opinion
In our opinion:

a the financial report of Managed Accounts Holdings Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 13-16 of the directors' report for the year ended 30 June 2014. 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.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Managed Accounts Holdings Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M Leivesley
Partner - Audit & Assurance

Sydney, 29 September 2014

ASX Additional Information

Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 12th September 2014.

The information in this section has been prepared as at 12 September 2014, unless otherwise specified.

20 LARGEST SHAREHOLDERS

Name/Address		%
PARMMS ENTERPRISES PTY LTD	21,289,372	15.75
VALEBARK PTY LTD	18,093,389	13.39
DONALD FINANCIAL ENTERPRISES PTY LTD	18,093,389	13.39
ARGO INVESTMENTS LIMITED	12,500,000	9.25
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,814,142	5.04
STARMAY SUPERANNUATION PTY LTD A/c Don Sharp	6,777,433	5.01
STARMAY SUPERANNUATION PTY LTD A/c Colin Scully	6,777,433	5.01
SANCTUARY ENTERPRISES PTY LTD	5,714,286	4.23
MR DAVID ALAN HEATHER	2,857,143	2.11
PARMMS ENTERPRISES PTY LTD	2,190,516	1.62
STONEMAGIC PTY LTD	2,000,000	1.48
MR PAUL LA MACCHIA	1,828,572	1.35
CHIFLEY PORTFOLIOS PTY LTD	1,466,666	1.09
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	1,465,000	1.08
MR DAVID ALAN HEATHER & MRS PANAYOTA HEATHER	1,392,858	1.03
TORRES INDUSTRIES PTY LIMITED	950,000	0.70
BAHRAIN INVESTMENTS PTY LTD	875,000	0.65
MR PETER WISEMAN	857,143	0.63
GAILFORCE MARKETING & PR PTY LTD	750,000	0.56
MR JACK THOMAS & MRS MARIE JOSEPHINE THOMAS	700,000	0.52
Total	**113,392,342**	**83.89**
Total	**135,172,711**	**100.00**

SUBSTANTIAL HOLDERS

Set out below are the names of substantial holders in the Company and the number of equity securities in which each substantial holder and the substantial holder's associates have a relevant interest, as disclosed in substantial holding notices given to the Company.

Substantial Holder	No of Equity Securities
Donald Sharp and Donald Financial Enterprises Pty Ltd	31,658,255 ordinary shares
Colin Scully and Valebark Pty Ltd	31,648,255 ordinary shares
Starmay Superannuation Pty Ltd	13,554,866 ordinary shares
Paul Collins and Parmms Enterprises Pty Ltd	23,479,888 ordinary shares
Argo Investments Limited	12,500,000 ordinary shares
Managed Accounts Holdings Limited	92,704,916 ordinary shares

The Company is a substantial holder of itself. It has a relevant interest in 92,704,916 ordinary shares. The relevant interest has arisen as it is a party to a number of voluntary escrow agreements and ASX mandatory restriction agreements with its shareholders under which the relevant shareholder is prohibited from disposing of its shares for a prescribed period of time.

DISTRIBUTION OF SHAREHOLDERS

Holding balance ranges	Holders	Securities	%
1 - 1,000	2	248	0.000
1,001 - 5,000	5	16,229	0.012
5,001 - 10,000	119	1,172,716	0.868
10,001 - 100,000	180	8,326,407	6.160
100,001 – and over	91	125,657,111	92.960
Total	**387**	**135,172,711**	**100.00**

DISTRIBUTION OF OPTIONHOLDERS

Holdings Ranges	Holders	Total Options	%
1-1,000	-	-	
1,001-5,000	-	-	
5,001-10,000	-	-	
10,001-100,000	-	-	
100,001-and over	2	1,000,000	
Total	**2**	**1,000,000**	**100**

NUMBER OF HOLDERS AND VOTING RIGHTS IN EACH CLASS OF SECURITIES

Class of Security	No of Holders	Voting Rights
Ordinary Shares	387	Yes (set out below)
Unquoted options exercisable at $0.20 expiring on 25 June 2016	2	No

Subject to the Company's constitution and to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of shareholders or classes of shareholders:

- each shareholder entitled to vote may vote in person, by proxy or representative;
- on a show of hands, every shareholder or person entitled to the rights of a shareholder according to the Company's constitution present in person, by proxy or representative, has one vote; and
- on a poll, every shareholder or person entitled to the rights of a shareholder according to the Company's constitution present in person, by proxy or representative, has:
  - one vote for each fully paid share that shareholder holds; and
  - a fraction of a vote for each partly paid share that shareholder holds, where the fraction is equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) on that share,

  except that a shareholder is not entitled to vote at a general meeting if:

  - any calls or other sum presently payable by that shareholder in respect of shares are outstanding; or
  - that shareholder is in breach of the ASX Listing Rules relating to restricted securities, or in breach of a restriction agreement by that shareholder.

UNMARKETABLE PARCELS OF SHARES

The number of shareholders with less than a marketable parcel of shares is 2.

SECURITIES SUBJECT TO ASX MANDATORY RESTRICTION AGREEMENTS

The following shares are subject to ASX mandatory restriction agreements:

Escrow Period	No of Securities	Type of Securities
24 months from date of official quotation of the Company's shares (until 25 June 2016)	56,998,571	Ordinary shares
24 months from date of official quotation of the Company's shares (until 25 June 2016)	1,000,000	Unlisted options
12 months from the issue date (until 29 November 2014)	13,404,811	Ordinary shares

SECURITIES SUBJECT TO VOLUNTARY ESCROW

The following shares are subject to voluntary escrow arrangements:

Escrow Period	No of Ordinary Shares
12 months from the listing of the Company (until 25 June 2015)	22,301,534

CLASSES OF UNQUOTED SECURITIES

Class of Security	No of Holders	Total Units
Unquoted options exercisable at $0.20 expiring on 25 June 2016	2	1,000,000

* Grosvenor Place Investments Pty Ltd holds 65% of the unquoted options in this class (650,000 options) and Davington Advisory Pty Ltd holds 35% of the unquoted options in this class (350,000 options)

USE OF CASH

The Company was admitted to ASX under ASX Listing Rule 1.3.2(b). The ASX Listing Rules require the Company to disclose whether the Company, during the period from admission to ASX to 30 June 2014, used the cash and assets in a form readily convertible to cash that it had at admission to ASX in a way consistent with its business objectives.

The Companies wholly owned subsidiary Investment Administration Services Pty Ltd (IAS) holds an AFSL licence and is required by ASIC to have surplus current assets over current liabilities (surplus assets) of $150,000 .ASIC's recent review of its policy on MDAs as disclosed in Consultation Paper (CP200) that recommended the requirement for surplus assets be increased up to $5 million. In arriving at the calculation of surplus assets any intercompany loans are not to be included.

The proceeds from the cash raised of $2,813,044 by the Company under its IPO together with the cash on hand were used to repay loans owing to Investment Administration Services Pty Ltd by Managed Accounts Holdings Limited and Investment Administration Developments Pty Ltd on the 30 June 2014..

On 30 June 2014 Managed Accounts Holdings Limited subscribed for a further 400,000 ordinary shares in IAS at $1 each ($400,000) .On payment of the $400,000 IAS will have $5 million of surplus assets .

GENERAL

There is no current on-market buy-back for the Company's securities.

There have been no issues of securities approved for the purposes of Item 7 of section 611 of the Corporations Act 2001 which have not yet been completed.

The name of the Company's company secretary is Jillian McGregor.

The address and telephone number of the Company's registered office and principal administrative office are Suite 402, Level 4, 8-10 Loftus Street, Sydney, NSW 2000 and 1800 446 971.

The registers of securities of the Company and transfer facilities are kept by the Company's share registry, Registry Direct at Level 2, Professional Chambers, 120 Collins Street, Melbourne, VIC 3000. The telephone numbers for Registry Direct are 1300 55 66 35 (within Australia) and +61 3 9020 7934 (outside Australia). The registers of securities of subsidiaries of the Company are kept at the Company's registered office.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

Corporate Directory

DIRECTORS

Mr Don Sharp (Executive Chairman)
Mr Colin Scully (Non-Executive Director)
Mr Paul Collins (Non- Executive Director)

COMPANY SECRETARY

Jillian McGregor

REGISTERED OFFICE

Level 4
8-10 Loftus Street
Sydney, NSW 2000

PRINCIPAL PLACE OF BUSINESS

Level 4
8-10 Loftus Street
Sydney, NSW 2000

SHARE REGISTRY

Registry Direct
Level 2 Professional Chambers
120 Collins Street
Melbourne VIC 3000

INVESTOR RELATIONS ADVISER

Finance News Network Pty Ltd
Level 24 Royal Exchange Building
56 Pitt Street
Sydney NSW 2000

AUDITORS

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000

LEGAL ADVISERS

Gadens Lawyers
Level 16
77 Castlereagh Street
Sydney NSW 2000

Coleman and Greig
Level 11, 100 George Street
Parramatta NSW

CUSTODIAN

HSBC Bank Australia Limited
580 George Street
Sydney NSW 2000

WEBSITE

www.managedaccounts.com.au

ASX CODE - MGP

Managed Accounts Holdings Limited. For the year ended 30 June 2014

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