HJB CORPORATION LIMITED
ASX - APPENDIX - 4E - RESULTS SUMMARY
RESULTS FOR ANNOUNCEMENT TO THE MARKET

Details of reporting periods	
Current	1 July 2014 - 30 June 2015
Comparative	1 July 2013 - 30 June 2014

$000'S	**30 Jun 2015**	**30 Jun 2014**	**% Variance**
Revenue from continuing operations	17	1,405	-98.8%
(Loss)/profit from continuing operations	-533	-1,452	63.3%
Profit from discontinued operations	5,136	0	n/a
Profit/(loss) attributable to members of HJB Corporation Limited	4,603	-1,452	417.0%

Net tangible assets:	**30 Jun 2015**	**30 Jun 2014**
Current assets	1,025	818
Non current assets	-	-
Less: Liabilities	137	6,268
Net Tangible Assets	888	-5,450
Number of shares (pre consolidation) '000's	-	556,930
Number of shares (post consolidation) '000S's	286,877	16,877
Net tangible assets per ordinary shares (cents)	0.31	-32.29

The profit after income tax for HJB Corporation Limited for the financial year of $4,603,000 (2014: loss of $1,452,000) was primarily due to a gain arising from the settlement of all liabilities and obligations of the Company as a result of the effectuation of the Deed of Company Arrangement and the creation of the Creditors' Trust Deed.

Additional Appendix 4E disclosure can be found in the Directors' report and the 30 June 2015 financial statements and accompanying notes. This report is based on the 30 June 2015 Annual Financial Report and has been audited by Stantons International Audit and Consulting Pty Ltd.

HJB CORPORATION LIMITED
(FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED)
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015
ABN: 90 091 302 975

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CORPORATE DIRECTORY

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

Company Secretary
Andrew Whitten

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

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

Bankers
Westpac Banking Corporation
94 Church Street
Middle Brighton VIC 3186

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

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

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

Website: hjbcorporation.com.au

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited) (**HJB** or the **Company**) and the entities it controlled (the Group) at the end of the financial year ended 30 June 2015.

Directors

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

Name	Particulars
Mr G Doyle	Executive Chairman (Resigned 7 July 2014)
Mr L Fernandes	Non Executive Director (Resigned 7 July 2014)
Mr P Colaco	Non Executive Director (Resigned 7 July 2014)
Mr R Walters	Executive Director (Resigned 7 July 2014)
Mr Mike Hill	Executive Chairman (Appointed 7 July 2014)
Mr Mike Everett	Non Executive Director (Appointed 7 July 2014)
Mr Michael Pollak	Non Executive Director (Appointed 7 July 2014)
Mr Brett Chenoweth	Managing Director (Appointed 7 July 2014)

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

Information on Directors

Mike Hill

Experience and Expertise

Mike has more than 20 years' experience working on corporate and private equity transactions in Australia and the UK. He is a former partner of Ernst & Young in their M&A team and in 2003 joined Ironbridge, a leading Sydney based private equity firm with $1.5bn of funds under management. Mike has worked as a senior member of the investment team at Ironbridge for more than 10 years covering deal assessment, investment management and exit planning across a number of Ironbridge portfolio companies.

Mike has experience across numerous industries where he has served on company boards involved in the technology, retail, healthcare, media, waste services, tourism, hospitality and manufacturing sectors. His involvement with companies in these industries has been to work closely with founders and executive management teams to execute strategic growth objectives.

He is a member of the Institute of Chartered Accountants in Australia.

Other Current Directorships

Rhipe Limited (ASX:RHP) (Chairman)
LiveTiles Limited (formerly Modun Resources Limited) (ASX:LVT) (Chairman)
JustKapital Litigation Partners Limited (ASX:JKL) (Non-executive Director)
AHAlife Holdings Limited (ASX: AHL) (Executive Chairman)
Prime Media Group Limited (ASX:PRT) (Non-Executive Director)

Former Directorships in the Last Three Years

None

Special Responsibilities

Chairperson

DIRECTORS' REPORT

Interests in Shares and Options

- 14,800,000 fully paid ordinary shares
- 13,000,000 unlisted options exercisable at $0.01 per option, expires on 30 June 2017
- 3,500,000 unlisted options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.02 or above, expires on 8 October 2017
- 3,500,000 unlisted and unvested options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.03 or above, expires on 8 October 2019

Mike Everett

Experience and Expertise

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

Other Current Directorships

AHALife Holdings Limited (ASX: AHL) (Non-executive director)
Rhipe Limited (ASX:RHP) (Non-executive director)

Former Directorships in the Last Three Years

None

Special Responsibilities

None

Interests in Shares and Options

- 20,400,000 fully paid ordinary shares
- 9,500,000 unlisted options exercisable at $0.01 per option, expires on 30 June 2017
- 4,750,000 unlisted options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.02 or above, expires on 8 October 2017
- 4,750,000 unlisted and unvested options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.03 or above, expires on 8 October 2019

Michael Pollak

Experience and Expertise

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

Other Current Directorships

Montech Holdings Limited (ASX: MOQ) (Non-executive director)
UCW Limited (ASX: UCW) (Non-executive director)

DIRECTORS' REPORT

Former Directorships in the Last Three Years

Disruptive Investment Company Limited (ASX:DVI) (Non-executive director)
Rhipe Limited (ASX:RHP) (Non-executive director)
Prospect Resources Limited (ASX:PSC) (Non-executive director)
PLD Corporation Limited (ASX:PLD) (Non-executive director)

Special Responsibilities

None

Interests in Shares and Options

- 18,600,000 fully paid ordinary shares
- 5,500,000 unlisted options exercisable at $0.01 per option, expires on 30 June 2017
- 1,250,000 unlisted options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.02 or above, expires on 8 October 2017
- 1,250,000 unlisted and unvested options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.03 or above, expires on 8 October 2019

Brett Chenoweth

Experience and Expertise

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

Other Current Directorships

None

Former Directorships in the Last Three Years

APN News and Media Limited (ASX:APN) (CEO and Managing Director)

Special Responsibilities

Managing Director

Interests in Shares and Options

- 20,400,000 fully paid ordinary shares
- 13,000,000 unlisted options exercisable at $0.01 per option, expires on 30 June 2017
- 3,500,000 unlisted options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.02 or above, expires on 8 October 2017
- 3,500,000 unlisted and unvested options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.03 or above, expires on 8 October 2019

Company Secretary

Andrew Whitten Appointed 7 July 2014

DIRECTORS' REPORT

Principal activities

The Group's principal activities during the financial year consisted of activities in the recruitment industry.

Dividends

No dividends are to be paid for the year ended 30 June 2015. No dividends were paid for the year ended 30 June 2014.

Review of operations

Following the recapitalisation, the Company was reinstated to the ASX Official List on 20 October 2014. Post reinstatement the Group has been working with its technology and marketing partners, and continues to investigate leveraging its existing assets including assessing alternatives to market to its customer base, including via online marketing. In order to initially operate with low fixed overheads, the Board is considering strategic partnerships with other operators in the recruitment, human resources and professional services industry. The Group is also investigating the potential to introduce complementary professional services including talent management and education & training. The Group has also continued to assess acquisition opportunities both within and outside the recruitment sector.

The profit after income tax for the financial year was $4,603,000 (2014: loss of $1,452,000) primarily due to a gain arising from the settlement of all liabilities and obligations of the Company as a result of the effectuation of the DoCA and the creation of the Creditors' Trust Deed.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Company during the year were as follows:

- Subsequent to effectuating the DOCA on 7 July 2014, the Company has:
  - consolidated the issued share capital on a 33:1 basis;
  - changed the name of the company to "HJB Corporation Limited";
  - adopted a new Constitution;
  - elected Mike Hill, Brett Chenoweth, Mike Everett and Michael Pollak as the directors.
- With the satisfaction of all conditions and obligations of the parties, the DOCA was effectuated on 7 July 2014 and the Company was released from being subject to the DOCA.
- The Company's subsidiaries were transferred to the Creditors' Trust and were de-consolidated from the Group;
- On 8 October 2014, the Company issued the following shares and options (including to related parties) to raise $1,651,750 before costs:
  - 140,000,000 fully paid ordinary shares at an issue price of $0.0025 per share;
  - 130,000,000 fully paid ordinary shares at an issue price of $0.01 per share;
  - 70,000,000 unlisted options at an issue price $0.000025 per option, exercisable at $0.01 per option, expires on 30 June 2017; and
  - 40,500,000 management options for Nil consideration at an exercise price of $0.01 per the management option plan.

Following the recapitalisation, the Company was reinstated to the ASX Official List on 20 October 2014.

DIRECTORS' REPORT

Significant events after balance date

There were no significant events subsequent to balance date.

Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Company since it entered into voluntary administration on 12 September 2013 until the DoCA effectuated on 7 July 2014.

The financial report was prepared by Directors who were not in office at the time the Company entered voluntary administration or for the periods presented in this report. The Directors who prepared this financial report were appointed on 7 July 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Company for the period prior to their appointment and the effectuation of the DoCA on 7 July 2014.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, because of the possible effect of the incomplete records on the current year and the corresponding prior year disclosure.

Directors' meetings

The following table sets out the number of Directors Meetings held during the financial year and the number of meetings attended by each Director (while they were in office):

	Directors Meetings	
Name of directors	**Meetings Held**	**In attendance**
Michael Hill	5	5
Brett Chenoweth	5	5
Michael Everett	5	4
Michael Pollak	5	5

All directors were eligible to attend all meetings held. In addition, business was conducted via circular resolution.

Environmental regulation

The Group is not subject to any significant environmental regulations.

Likely developments and expected results

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

DIRECTORS' REPORT

Insurance of directors and officers

During the financial year the Group paid insurance premiums in respect of directors and officers liability insurance so as to insure the Directors of the Group, the Company secretary, and all executive officers of the Group and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

Auditor independence

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 53 of the financial report.

Audit services

Stantons International Audit and Consulting Pty Ltd (Stantons International) are the appointed auditors of the Group. The auditor has not been indemnified under any circumstance.

During the financial year $17,090 (excluding GST) was paid or is payable for audit services provided by Stantons International (2014: $10,048 excluding GST).

Non-audit services

No non- audit services were provided by Stantons International in the current financial year.

Prior to Stantons International being appointed auditor, an entity associated with them prepared the Independent Expert Report accompanying the notice to the shareholders of the general meeting held on 23 May 2014 and received a fee of $7,500 excluding GST in the prior financial year.

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence has not been compromised.

Rounding of amounts

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

DIRECTORS' REPORT

REMUNERATION REPORT (Audited)

The remuneration report below reflects the remuneration policies that were adopted by the directors of the Company who were in office at the date of this report. These policies apply since the date of their appointment on 7 July 2014.

The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration;
2. Details of remuneration;
3. Service agreements;
4. Share-based compensation, and
5. Shareholding and option holding of directors and other key management personnel (audited)

The information provided under headings 1 to 5 below in the Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

1 Principles used to determine the nature and amount of remuneration (audited)

The Company's Constitution specifies that subject to the initial fixed annual aggregate sum of $500,000, the aggregate remuneration of non-executive directors shall not exceed the sum determined by the shareholders of the Company in general meeting.

Fees and payments to directors:
1. are to reflect the demands which are made on, and the responsibilities of, the directors; and
2. are reviewed annually by the board to ensure that directors' fees and payments are appropriate and in line with the market.

Retirement allowances and benefits for directors
There are no retirement allowances or other benefits paid to directors.

Directors' fees

The amount of remuneration of the directors of the Company (as defined in AASB 124 *Related Party Disclosures*) is set out in the following table. During the financial year there were no executives other than the directors. There was no remuneration of any type paid to the directors, other than as reported below for the provision of director and professional services.

2 Details of remuneration (audited)

2015 ($'000)

Name of directors	Base Salary/Fees	Post-employments benefits - Superannuation	Share based payments	Total
Michael Hill	112	11	14	137
Michael Everett	25	-	20	45
Brett Chenoweth	98	-	14	112
Michael Pollak	22	2	5	29
Total	257	13	53	323

The Company was under External Administration from 12 September 2013 and the Company's operations were suspended by the Administrator. The Company does not have sufficient information to allow this level of disclosure for the year ended 30 June 2014.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited)

3 Service agreements (audited)

The directors serve until they resign, are removed, cease to be a director or are prohibited from being a director under the provisions of the *Corporations Act 2001*, or are not re-elected to office.

The directors entered into service agreements on the following terms:

- Mr Mike Hill (Executive Chairman) - Base salary (including director's fees) of $250,000 (including superannuation or similar contributions).
- Mr Brett Chenoweth (Managing Director) - Base fee (including director's fees) of $200,000 excluding GST.
- Mr Michael Everett (Non-executive Director) - Base fee (including director's fees) of $50,000 excluding GST.
- Mr Michael Pollak (Non-executive Director) - Base salary (including director's fees) of $50,000 (including superannuation or similar contributions).
- If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the Director with no notice and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the Director with 3 months' written notice or make a payment of 3 months' salary in lieu of the notice period.
- The Director may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 3 months of their base fees/salary.
- Each of the Directors have agreed to receive 50% of their respective base salary up until the first material acquisition is made by the Company (per the table above reflects 50%), at which time Directors will be paid the outstanding base salary to ensure that each Director receives 100% of their respective base salary for the period from the date of their appointment to the date of the acquisition. The remaining 50% of base salary has been treated as a contingent liability. Thereafter 100% of their respective base salary will be payable monthly. As at the date of this report there are no executives or management personnel engaged by the Company other than the directors.

4 Share-based compensation (audited)

The result at 30 June 2015 includes a share based payment expense of $53,000 related the issue of 26,000,000 unlisted management options on 8 October 2014 to the Directors (as outlined above) and advisory committee members.

5 Shareholding and option holding of directors and other key management personnel (audited)

(a) Options

The number of options over ordinary shares in the Company held during the financial year by each director and other key management personnel (of which there were not any), including their personal related parties, are set out below:

2015	Balance at start of the year	Granted during the year as remuneration	Other changes during the year	Balance at end of the year	Vested	Unvested
Notes		*(a)*	*(b)*			*(c)*
Mike Hill	-	7,000,000	13,000,000	20,000,000	16,500,000	3,500,000
Michael Everett	-	9,500,000	9,500,000	19,000,000	14,250,000	4,750,000
Brett Chenoweth	-	7,000,000	13,000,000	20,000,000	16,500,000	3,500,000
Michael Pollak	-	2,500,000	5,500,000	8,000,000	6,750,000	1,250,000
L Fernandes	-	-	-	-	-	-
G Doyle	-	-	-	-	-	-
R Walters	-	-	-	-	-	-
P Colaco	-	-	-	-	-	-
	-	26,000,000	41,000,000	67,000,000	54,000,000	13,000,000

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (Continued)

Notes

(a) Management Options granted on 8 October 2014 at no cost on the following terms:

(i) 50% being unlisted options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.02 or above, expire on 8 October 2017. These have vested;

(ii) 50% being unlisted options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.03 or above, expire on 8 October 2019. These remain unvested.

(b) Options acquired for $0.000025 under the DoCA recapitalisation being unlisted options exercisable at $0.01 per option on or before 30 June 2017. No shares were acquired as a result of exercising options.

(c) Unvested options under *(a)(ii)*

During the year ended 30 June 2014 there were no options over ordinary shares in the Company held during the financial year by each director and other key management personnel, including their personal related parties, are set out below:

2014	Balance at start of the year	Granted during the year as remuneration	Other changes during the year	Balance at end of the year	Vested	Unvested
L Fernandes	-	-	-	-	-	-
G Doyle	-	-	-	-	-	-
R Walters	-	-	-	-	-	-
P Colaco	-	-	-	-	-	-
R Jerome	-	-	-	-	-	-
	-	-	-	-	-	-

(b) Shareholding

The number of ordinary shares in the Company held during the financial year by each director and other key management personnel (of which there were not any), including their personal related parties, are set out below:

2015	Balance at start of the year	Granted during the year as remuneration	Received during the year on the exercise options	Other changes during the year	Balance at end of the year
Notes				*(d)*	
Mike Hill	-	-	-	14,800,000	14,800,000
Michael Everett	-	-	-	20,400,000	20,400,000
Brett Chenoweth	-	-	-	20,400,000	20,400,000
Michael Pollak	-	-	-	18,600,000	18,600,000
L Fernandes	2,000,000	-	-	(1,939,394)	60,606
G Doyle	3,846,154	-	-	(3,729,604)	116,550
R Walters	-	-	-	-	-
P Colaco	-	-	-	-	-
	5,846,154	-	-	68,531,002	74,377,156

Notes

(d) For Mr Fernandes and Mr Doyle the movement represents the impact of the 33:1consolidation that occurred on 4 July 2014. For the other directors the movement represents shares acquired under the DoCA recapitalisation and issued on 8 October 2014.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (Continued)

2014	Balance at start of the year	Granted during the year as remuneration	Received during the year on the exercise options	Other changes during the year	Balance at end of the year
L Fernandes	2,000,000	-	-	-	2,000,000
G Doyle	3,846,154	-	-	-	3,846,154
R Walters	-	-	-	-	-
P Colaco	-	-	-	-	-
R Jerome	3,000,000	-	-	-	3,000,000
A Belle	250,000			(242,424)	7,576
	9,096,154	-	-	(242,424)	8,853,730

Key Management Personnel

The key management personnel of HJB Corporation Limited are the Directors as listed above.

Signed in accordance with a resolution of the Directors.

Mike Hill
Executive Chairman
31 August 2015

CORPORATE GOVERNANCE STATEMENT

The corporate governance statement below reflects the corporate governance policies that were adopted by the directors of the Company who were in office at the date of this report. These policies apply since the date of their appointment as directors on 7 July 2015.

This Corporate Governance Statement sets out HJB Corporation Limited's (the Company) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (the ASX Principles and Recommendations). The ASX Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the ASX Principles and Recommendations.

CORPORATE GOVERNANCE STATEMENT			
ASX Principles and Recommendations		**Comply (Yes/No)**	**Explanation**
1.	Lay solid foundations for management and oversight		
1.1.	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	The Company's board of directors (the Board) is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to: (a) maintain and increase Shareholder value; (b) ensure a prudential and ethical basis for the Company's conduct and activities; and (c) ensure compliance with the Company's legal and regulatory objectives. Consistent with these goals, the Board assumes the following responsibilities: (a) developing initiatives for profit and asset growth; (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c) acting on behalf of, and being accountable to, the Shareholders; and (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis. It is expected that the division of responsibility of the Board and senior executives will vary with the evolution of the Company. The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.
1.2.	Companies should undertake appropriate checks before appointing a person for election as a director, and provide securityholders with all material information relevant to a decision on electing a director.	Yes	The Company undertakes backgrounds checks with regards to the person's character, experience and education prior to nomination for election as a director. Any material adverse information revealed by these checks is released to securityholders prior to the General Meeting at which they are able to be elected.

CORPORATE GOVERNANCE STATEMENT			
ASX Principles and Recommendations		Comply (Yes/No)	Explanation
			When an individual is nominated to be a director, their curriculum vitae with their relevant professional history and qualifications is circulated to the securityholders in the Company.
1.3.	Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Directors are given letters of appointment and/or service agreements, and senior executives are given employment contracts setting out the terms of their appointment. These set out the relevant terms by which they will be involved in the Company.
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.	Yes	The company secretary position is directly accountable to the Board on all matters to do with the proper functioning of the Board.
1.5.	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them. The results should be disclosed annually.	No	The Company has not found it necessary to create a diversity policy or to annually report on measurable objectives with respect to achieving gender diversity. It will remain committed to ideals of gender diversity. As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy.
1.6.	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	No	Due to the fact that the Company is only in the early stages of its restructure, there is currently no separately constituted remuneration committee in the Company. The remuneration of an executive director will be decided by the Board, without the affected executive Director participating in that decision-making process. There are currently two executive Directors on the Board. In accordance with clause 13.8 of the Company's Constitution, the total maximum remuneration of non-executive Directors is currently set at $500,000. The determination of non-executive Directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. Such information is available in several publicly available forums such as ASX announcements. As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider putting in a process for evaluating the performance of the Board, its committees and individual Directors.

CORPORATE GOVERNANCE STATEMENT			
ASX Principles and Recommendations		Comply (Yes/No)	Explanation
1.7.	Companies should disclose the process for evaluating the performance of senior executives.	No	The Board and senior management team will regularly review the performance of its senior executives and address any issues that may emerge. However, given the current size of the Company, the Board does not consider that disclosure of the process of evaluating the performance of senior executives is necessary. As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider disclosing the process for evaluating the performance of senior executives.
2.	Structure the board to add value		
2.1.	The board should establish a nomination committee.	No	No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers (if required), has been committed to by the Board.
2.2.	Companies should disclose a board skills matrix.	No	The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principle criterion for the appointment of new Directors is their ability to add value to the Company and its business. In light of this, it has not been deemed necessary to create a formal document outlining the particular skills of the existing Board.
2.3.	Companies should disclose the names of the directors considered to be independent, interests, positions and associations that might cause doubts as to the independence of a director and the length of service of each director.	No	The Board ensures that each Director is not able to be significantly adversely influenced by the operations of the company by ensuring a diverse range of backgrounds. Information with respect to potential issues of independence may be disclosed to the market but no formal policy exists to ensure such disclosure.
2.4.	A majority of the board should be independent directors.	No	The Board has reviewed the position and associations of each of the four Directors in office and has determined that none of the Directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Corporate Governance Principles and Recommendations (3rd Edition), and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of the other Directors, as appropriate. Due to the fact that the Company is only in the early stages of its recapitalization and restructure, there are no independent Directors on the Board. Each of the Directors in office are essential to the success of the Company at this stage of its restructure. As the Company develops, the Board intends to review the composition of the Board.

CORPORATE GOVERNANCE STATEMENT			
ASX Principles and Recommendations		**Comply (Yes/No)**	**Explanation**
2.5.	The chair should be an independent director and should not also exercise the role of chief executive officer.	No	The Company's current Executive Chairman, Mr Mike Hill, does not satisfy the ASX Corporate Governance Principles and Recommendations definition of an independent director, as Mr Hill will be a substantial shareholder of the Company. However, the Board considers Mr Hill's role as Executive Chairman essential to the success of the Company at this stage of its restructure. Mr Hill will not exercise the role of CEO.
2.6.	Companies should have a program for inducting new directors.	No	The Company does not have a formal program for inducting new Directors, however the Company takes care in ensuring that Directors will be able to effectively manage and govern the Company before their nomination as potential Directors.
3.	Act ethically and responsibly		
3.1.	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	No	The Board is committed to the establishment and maintenance of appropriate ethical standards. Given the fact that the Company is only in the early stages of its restructure there is currently no official code of conduct in place. As the Company develops the Board intends to review its practices, and if deemed necessary, establish an appropriate code of conduct.
4.	Safeguard integrity in corporate reporting		
4.1.	The board should establish an audit committee which is structured so that it: • has at least three members • consists only of non-executive directors, a majority of whom are independent directors • is chaired by an independent director who is not the Chairman And should disclose: • The charter of the committee • The qualifications of the committee • The number of times the committee meets If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard the integrity of its reporting.	No	The Company does not have a separately constituted audit committee due to the fact that the Company is only in the early stages of its restructure. As the Company develops the Board intends to review its practices, and if deemed necessary, establish an audit committee. The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.
4.2.	The Board should receive from its CEO and CFO a declaration that in their opinion, the financial records	N/A	The Company currently does not have a CEO or CFO. However, the Board has received a declaration from its Executive Chairman that in their opinion, the financial

CORPORATE GOVERNANCE STATEMENT			
ASX Principles and Recommendations		Comply (Yes/No)	Explanation
	have been properly maintained and comply with the proper standards.		records have been properly maintained and comply with the proper standards.
4.3.	A Company should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	No	Unless deemed necessary by the Board, an external auditor may not always be present at the AGM. However, the Board will try to ensure the auditor is available (by phone or otherwise) to answer questions from security holders relevant to the audit.
5.	Make timely and balanced disclosure		
5.1.	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	No	Due to the fact that the Company is only in the early stages of its restructure, there are no written policies in place. The Company is however committed to providing relevant up-to-date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Act 2001. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX and shareholders as well as providing guidance to directors and employees on disclosure requirements and procedures.
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.	Yes	The Company has recently launched its website http://www.hjbcorporation.com.au/ which contains all relevant information about the Company. The Company will regularly update the website and contents therein as deemed necessary.
6.2.	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No	The Company has no investor relations program in place, but ensures that all material information is conveyed to its investors so as to facilitate communication.
6.3.	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	No	Although the Company does not have a formal communications policy in place, all material matters will be disclosed to the market in accordance with the ASX Listing Rules.
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.	Yes	The Company encourages shareholders to register for receipt of announcements and updates electronically.
7.	Recognise and manage risk		
7.1. • •	The Board should establish a risk committee, structured so that it: has at least three members consists only of non-executive directors, a majority of whom are independent directors	No	The Company does not have a separately constituted risk committee due to the fact that the Company is only in the early stages of its restructure. As the Company develops the Board intends to review its practices, and if deemed necessary, establish a risk committee. Presently, the Board is responsible for the oversight and management of all material business risks. The Board's

CORPORATE GOVERNANCE STATEMENT		
ASX Principles and Recommendations	**Comply (Yes/No)**	**Explanation**
• is chaired by an independent director who is not the Chairman And should disclose: • The charter of the committee • The qualifications of the committee • The number of times the committee meets If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard its risk management procedures.		collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation as Board meetings. The risk profile can be expected to change and procedures adapted as the Company develops and it grows in size and complexity. The Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.
7.2. The Board should review the Company's risk management framework at least annually and disclose whether such a review has taken place.	No	Although the Company does not have a separately constituted risk committee, the Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.
7.3. Companies should disclose if they have an internal audit function or the processes it employs for evaluating and improving the effectives of its risk management.	No	The Company does not have an internal audit function, and does not disclose the processes it uses to improve risk management. Nonetheless, it remains committed to effective management and control of these factors.
7.4. Companies should disclose whether they have any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	All material risks are announced to the market, in accordance with the requirements of the ASX listing rules and otherwise.
8. Remunerate fairly and responsibly		
8.1. The Board should establish a remuneration committee, structured so that it: • has at least three members • consists only of non-executive directors, a majority of whom are independent directors • is chaired by an independent director who is not the Chairman And should disclose: • The charter of the committee • The qualifications of the committee • The number of times the committee meets If no committee satisfying the above exists, it should disclose that fact and the processes it	No	As noted in Section 1.6 above, the Company does not have in place a separately constituted remuneration committee due to the size and current operations of the Company.

CORPORATE GOVERNANCE STATEMENT		
ASX Principles and Recommendations	**Comply (Yes/No)**	**Explanation**
uses to ensure the remuneration of its directors and senior executives is fair and not excessive. .		
8.2. Companies should disclose their policies and practices regarding the remuneration of executive directors and other senior executives.	No	The Company has not deemed it necessary to separately disclose its remuneration policies.
8.3. Companies which have an equity-based remuneration scheme should: • 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 • disclose that policy or a summary of it.	No	Although the Company does not have a formal policy, the Company has a securities trading policy that restricts the trading of the Company's securities by those who have interests in equity based remuneration.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Revenue from continuing operations	5	17	1,405
Expenses			
Depreciation and amortisation expenses	6	-	(11)
Employee costs	6	(403)	(2,052)
Other expenses	6	(147)	(1,061)
Total expenses		(550)	(3,124)
Loss before finance costs and impairment		(533)	(1,719)
Finance costs	6	-	(11)
Bank guarantee		-	361
Loss on sale of Hamilton James & Bruce Limited business		-	(83)
Loss from continuing operations		(533)	(1,452)
Discontinued operations			
Profit from discontinued operations after tax	22	5,136	-
Net profit attributable to members of the Company			
Profit/(Loss) before income tax expense		4,603	(1,452)
Income tax expense	7	-	-
Profit/(Loss) from continuing operations		4,603	(1,452)
Profit/(Loss) is attributable to the members of the Company		4,603	(1,452)
Other comprehensive income for the year			
Items that may be reclassified to the profit or loss		-	-
Items that will not be reclassified subsequently to the profit or loss		-	-
Total comprehensive profit/ (loss)		4,603	(1,452)
Profit/ (Loss) is attributable to:			
HJB Corporation Limited		4,603	(1,452)
		4,603	(1,452)
			Restated
Loss per share from continuing operations attributable to equity holders of the parent entity			
Basic loss per share (cents per share)	26		
- Continuing operations		(0.25)	(8.60)
- Discontinued operations		1.90	-
Diluted loss per share (cents per share)	26		
- Continuing operations		(0.25)	(8.60)
- Discontinued operations		1.70	-

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 AS AT 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Current Assets			
Cash and cash equivalents	9	992	764
Trade and other receivables	10	33	54
		1,025	818
Non Current Assets			
Intangible assets	12	50	50
		50	50
Total Assets		1,075	868
Current Liabilities			
Trade and other payables	13	137	844
Provisions	14	-	1,172
Other provisions	15	-	4,252
		137	6,268
Total Liabilities		137	6,268
Net Assets		**938**	**(5,400)**
Equity			
Contributed equity	16	28,704	27,054
Reserves	17	85	-
Accumulated losses	19	(27,851)	(32,454)
Total Equity		**938**	**(5,400)**

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

CONSOLIDTED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital $'000	Options Premium Reserve $'000	Share Based Payments Reserve $'000	Accumulated Losses $'000	Total Equity $'000
Balance as at 1 July 2014	27,054	-	-	(32,454)	(5,400)
Net profit for the year	-	-	-	4,603	4,603
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	4,603	4,603
Transactions with owners in their capacity as owners					
Option Issue	-	2	83	-	85
Share issue at net cost	1,650	-	-	-	1,650
Total transactions with owners in their capacity as owners	1,650	2	83	-	1,735
Balance as at 30 June 2015	28,704	2	83	(27,851)	938
Balance as at 1 July 2013	27,051	-	9	(31,008)	(3,948)
Net loss for the year	-	-	-	(1,452)	(1,452)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,452)	(1,452)
Transactions with owners in their capacity as owners					
Employee Share Plan	3	-	(9)	6	-
Shares issued at net cost	-	-	-	-	-
Total transactions with owners in their capacity as owners	3	-	(9)	6	-
Balance as at 30 June 2014	27,054	-	-	(32,454)	(5,400)

The above consolidated 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 2015

	Notes	2015 $'000	2014 $'000
Cash flow from operating activities			
Receipts from customers		-	1,785
Payments to suppliers and employees		(477)	(3,874)
Interest received		17	-
Finance costs		-	(11)
DOCA Settlement		(964)	-
Bank guarantee received		-	361
Net cash (used in) operating activities	25	(1,424)	(1,739)
Cash flow from investing activities			
Proceeds on sale of HJB business		-	2,225
Proceeds on sale of shares		-	1
Proceeds on sale of property plant and equipment		-	66
Net cash generated by investing activities		-	2,292
Cash flow from financing activities			
Repayment of borrowings		-	(777)
Proceeds from syndicate loan		200	-
Repayment of syndicate loan		(28)	-
Proceeds from issue of shares and options		1,480	-
Net cash generated / (used in) by financing activities		1,652	(777)
Net increase/(decrease) in cash and cash equivalents		228	(224)
Cash and cash equivalents at beginning of year		764	988
Cash and cash equivalents at end of year	**9**	**992**	**764**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited) ("HJB") and its controlled entities (the Group). HJB is a company limited by shares, incorporated and domiciled in Australia.

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

(a) Basis of preparation of the financial report

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

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

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

The consolidated financial statements were authorised for issue by the Board of Directors on 31 August 2015.

(b) Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Company since it entered into voluntary administration on 12 September 2013 until the DOCA effectuated on 7 July 2014.

The financial report was prepared by Directors who were not in office at the time the Company entered voluntary administration or for the periods presented in this report. The Directors who prepared this financial report were appointed on 7 July 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems, the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period of their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Company for the period prior to their appointment and the effectuation of the DoCA on 7 July 2014.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, because of the possible effect of the incomplete records on the current year and the corresponding prior year disclosure.

(c) Going concern

The Group incurred a net profit of $4,603,000 (2014: loss of $1,452,000) and experienced total cash outflows from operating activities of $1,424,000 (2014: cash outflow of $1,739,000) for the year ended 30 June 2015 and, as at that date, had net current assets of $888,000 (2014: net current assets deficiency of $5,450,000).

The cash flow forecast indicates that the Group has sufficient cash flows to meet all commitments and working capital requirements for a period of at least 12 months from the date of signing the financial report. Accordingly, the directors are satisfied that the going concern basis of preparation is appropriate.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Principles of consolidation

Subsidiaries

The consolidated financial statements for the year ended 30 June 2015 incorporate all of the assets, liabilities and results of the parent (HJB Corporation Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 24.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Company from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Company entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Company.

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

Employee Share Trust

The HJ&B Share Trust administered the Group's employee share scheme. This Trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. Shares held by the HJ&B Share Trust are disclosed as treasury shares and deducted from contributed equity. The Trust was deconsolidated from the Group at the time of effectuation of the DOCA, being 7 July 2014.

Associates

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

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

(e) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

(e) Fair Value of Assets and Liabilities (Continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets.

Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fair Value of Assets and Liabilities (Continued)

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(f) Segment reporting

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

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

(g) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which that entity operates (“the functional currency”). The financial statements are presented in Australian dollars, which is the Group‘s functional and presentation currency.

Transactions and balances

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Foreign currency translation (Continued)

Group companies

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

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

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

(h) Revenue recognition

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

Revenue for the major business activities is recognised as follows:

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

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

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

(i) Income tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Income tax (Continued)

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

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

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

Tax Consolidation Legislation

The Company and its wholly owned Australian controlled entities have implemented the tax consolidation legislation for the year ended 30 June 2015.

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

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

(j) Leases

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

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

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

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

(k) Business combinations

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Business combinations (Continued)

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

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

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

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

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

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

(l) Impairment of assets

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

(m) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Trade receivables

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

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

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

(o) Plant and equipment

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

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

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

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

(p) Leasehold improvements

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

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

(q) Intangible assets

Goodwill

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Intangible assets (Continued)

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

Software

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

(r) Trade and other creditors

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

(s) Borrowings

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

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

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

(t) Borrowing costs

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

Borrowing costs include:

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

(u) Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Employee benefits

Wages and salaries, annual leave and sick leave

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

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

Long service leave

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

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

Profit share and bonus plans

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

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

Superannuation

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

Termination benefits

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

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

Employee benefit on-costs

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Contributed equity

Ordinary shares are classified as equity.

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

(x) Dividends

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

(y) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

(z) Investments and other financial assets

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

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

Loans and receivables are non derivative financial assets with fixed and determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Trade and other receivables are included in Note 10.

(aa) Goods and Services Tax (GST)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(bb) Rounding of amounts

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

(cc) New accounting standards and interpretations

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- **AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2017)**

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The 2010 revisions introduce additional changes relating to financial liabilities.

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

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

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

- **AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(bb) New accounting standards and interpretations (Continued)

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

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied. This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

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

• **Other standards not yet applicable**

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Key Estimates – Impairment

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: FINANCIAL RISK MANAGEMENT

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

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

(a) Market risk

(i) Foreign exchange risk

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

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

(ii) Cash flow and fair value interest rate risk

The Group has no borrowings and its interest bearing assets are in an at-call cash account with Westpac Banking Corporation Limited at variable rates and were denominated in Australian dollars.

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

(b) Credit Risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

(c) Liquidity

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The Group manages its liquidity risk by continuously monitoring forecasts and actual cash flows.

Financing arrangement

The Group did not have access to the following undrawn borrowing facilities at the reporting date:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: FINANCIAL RISK MANAGEMENT (Continued)

Maturity of financial liabilities

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

	Less than 6 months	6 - 12 months	Between 1 & 2 years	Over 2 years	Total contractual cash flow	Carrying amount liabilities
30 June 2015	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non derivatives						
Interest bearing facility	-	-	-	-	-	-
Non interest bearing	137	-	-	-	137	137
Fixed rate	-	-	-	-	-	-
Total non derivatives	137	-	-	-	137	137

	Less than 6 months	6 - 12 months	Between 1 & 2 years	Over 2 years	Total contractual cash flow	Carrying amount liabilities
30 June 2014	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non derivatives						
Interest bearing facility	-	-	-	-	-	-
Non interest bearing	844	-	-	-	844	844
Fixed rate	-	-	-	-	-	-
Total non derivatives	844	-	-	-	844	844

NOTE 4: SEGMENT REPORTING

(a) Business segments

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

(b) Geographical segments

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

(c) Equity accounting investments

The consolidated entity holds no investments relating to equity accounting.

NOTE 5: REVENUE

	2015 $'000	2014 $'000
From continuing operations		
Sales revenue		
Permanent placements	-	732
Temporary placements	-	599
Other revenue		
Interest	17	9
Rents & sub-lease rentals	-	53
Other	-	12
	17	1,405

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 6: EXPENSES

	2015 $'000	2014 $'000
Profit before income tax includes the following expenses:		
Depreciation - property, plant and equipment	-	11
Amortisation - software and databases	-	-
Employment Costs	403	*
Legal and professional fees	87	*
Other administration and listing costs	60	*
Financing costs	-	11
Occupancy costs	-	368

* On 12 September 2013 until 7 July 2014 the Company was placed into voluntary administration and the Company's operations were suspended under the Administrators. The Company does not have sufficient information to allow this level of disclosure.

NOTE 7: INCOME TAX

(a) Income tax expense

	2015 $'000	2014 $'000
Current tax	-	-
Deferred tax	-	-
	-	-
Income tax is attributable to:		
Profit from continuing operations	-	-
Deferred income tax expense included in income tax expense comprises:		
Decrease in deferred tax assets	-	-
Decrease in deferred tax liabilities	-	-
	-	-

(b) Reconciliation of income tax expense

	2015 $'000	2014 $'000
Tax benefit on loss from ordinary activities before income tax at 30%		
Tax benefit on profit (loss) before income tax at 30% (2014: 30%)	1,381	(436)
Other (non assessable) / non allowable items	(1,221)	-
Reversal of deferred tax asset	(160)	(436)
Income tax benefit	-	-

Tax losses related to the entity prior to the reconstruction that were not used and have been lost. Current tax losses have not been recognised as a deferred tax asset as recoupment is dependent on, amongst other matters, sufficient future assessable income being earned. That is not considered certain in the foreseeable future and accordingly there is uncertainty that the losses can be utilised. There are no deferred tax liabilities.

(c) Tax consolidation legislation

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 8: DIVIDENDS

No dividends are to be paid for the year ended 30 June 2015 or for the year ended 30 June 2014.

	2015 $'000	2014 $'000
Franked dividends		
Franking credits available for subsequent financial years based on a tax rate of 30% (2014: 30%)	1,467	1,467

The above amounts represent the balance of the franking account as at the end of the financial year.

NOTE 9: CASH AND CASH EQUIVALENTS

	2015 $'000	2014 $'000
Current		
Cash at bank and on hand	992	764

NOTE 10: TRADE AND OTHER RECEIVABLES

	2015 $'000	2014 $'000
Current		
Trade receivables	33	54

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. Trade receivables as at 30 June 2015 are not considered past due and are fully recoverable hence no impairment provision was made at 30 June 2015.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicle $000	Plant and Equipment $000	Office Fit Out $000	Total $000
At 30 June 2015				
Cost	-	-	-	-
Disposals	-	-	-	-
Accumulated depreciation	-	-	-	-
Impairment due to Administration	-	-	-	-
	-	-	-	-
At 1 July 2014	-	-	-	-
Disposals	-	-	-	-
Depreciation	-	-	-	-
Impairment due to Administration	-	-	-	-
At 30 June 2015	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

Consolidated	Motor Vehicle $000	Plant and Equipment $000	Office Fit Out $000	Total $000
At 1 July 2014				
Cost	58	15	16	89
Disposals	(54)	(13)	-	(67)
Accumulated depreciation	(4)	(2)	(5)	(11)
Impairment due to Administration	-	-	(11)	(11)
At 30 June 2015	-	-	-	-
At 1 July 2013	58	15	16	89
Disposals	(54)	(13)	-	(67)
Depreciation	(4)	(2)	(5)	(11)
Impairment due to Administration	-	-	(11)	(11)
At 30 June 2014	-	-	-	-

NOTE 12: INTANGIBLE ASSETS

At 1 July 2014	Goodwill $000	Software $000	Intellectual property & other software $000	Total $000
Cost	-	-	50	50
Accumulated depreciation	-	-	-	-
At 30 June 2015	-	-	50	50
At 1 July 2013	-	-	50	50
Amortisation	-	-	-	-
At 30 June 2014	-	-	50	50

Consolidated At 30 June 2014	Goodwill $000	Software $000	Intellectual property & other software $000	Total $000
Cost	-	-	50	50
Accumulated depreciation	-	-	-	-
At 30 June 2015	-	-	50	50
At 1 July 2013	-	-	50	50
Amortisation	-	-	-	-
At 30 June 2014	-	-	50	50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 13: TRADE AND OTHER PAYABLES

	2015 $'000	2014 $'000
Current		
Trade creditors	127	834
Auditors fees	10	10
	137	844

NOTE 14: PROVISIONS

	2015 $'000	2014 $'000
Current		
Employee benefits - annual leave	-	1,172
	-	1,172

NOTE 15: OTHER PROVISIONS

	2015 $'000	2014 $'000
Current		
Expenses on operating leases onerous contracts due to Administration	-	4,252

NOTE 16: CONTRIBUTED EQUITY

	2015		2014	
	Number	$'000	Number	$'000
(a) Share capital				
Fully paid	286,876,788	28,704	556,929,634	27,054

(b) Movements in share capital

	2015		2014	
Details	**Number of shares**	**$'000**	**Number of shares**	**$'000**
Opening balance	556,929,634	27,054	556,479,634	27,051
Share consolidation (1:33) 4 July 2014	(540,052,846)	-	-	-
Share Issue 8 October 2014	270,000,000	1,650	-	-
Employee share plan	-	-	450,000	3
Closing balance	286,876,788	28,704	556,929,634	27,054

On 4 July 2014 the issued capital of the Company was consolidated such that every thirty three (33) shares were consolidated into one (1) share.

Shares issued on 8 October 2014 were:

- 140,000,000 fully paid ordinary shares an issue price of $0.0025 per share; and
- 130,000,000 fully paid ordinary shares at an issue price of $0.01 per share.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17: RESERVES AND ACCUMULATED LOSSES

(a) Reserves

	2015 $'000	2014 $'000
Options Reserve		
At beginning of the year	-	-
Option issue	2	-
At end of the year	2	-
Share based payment reserve		
At beginning of the year	-	9
Option issue	83	(9)
At end of the year	83	-
At end of the year	85	-

On 8 October 2014, as part of the recapitalisation of the Company issued 70,000,000 unlisted options at an issue price $0.000025 per option, exercisable at $0.01 per option, expires on 30 June 2017 to raise $1,750.

On 8 October 2014, the Company issued 40,500,000 management options for no consideration on the following terms:

(iii) 50% being unlisted options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.02 or above, expire on 8 October 2017. These have vested; and

(iv) 50% being unlisted options exercisable at $0.01 per option, vests only when the 20 day VWAP of the Company's shares is $0.03 or above, expire on 8 October 2019. These remain unvested.

The grant of the management options was treated as a share based payment as set out in Note 27 and resulted in $83,409 being booked to the share based payment reserve.

(b) Accumulated losses

	2015 $'000	2014 $'000
At beginning of the year	(32,454)	(31,008)
Employee share plan	-	6
Net loss for the year	4,603	(1,452)
At end of the year	(27,851)	(32,454)

NOTE 18: KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

	2015 $'000	2014 $'000
Short term employee benefits	257	*
Post employment benefits	13	*
Share based payment	53	
	323	*

Refer to the Remuneration Report for further information.

* On 12 September 2013 until 7 July 2014 the Company was placed into voluntary administration and the Company's operations were suspended under the Administrators. The Company does not have sufficient information to allow this level of disclosure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: AUDITOR'S REMUNERATION

	2015 $'000	2014 $'000
Amounts paid / payable to Stanton's International for audit and review work undertaken under Corporation Act 2001		
Auditing or reviewing the financial report	17	10
Independent expert report	-	8
	17	18

NOTE 20: COMMITMENTS

Operating leases

The Company did not have any operating leases for the financial year ended 30 June 2015.

NOTE 21: RELATED PARTIES

(a) Parent entity

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

(b) Subsidiaries

Interests in subsidiaries are set out in Note 24.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 18 and the Directors Report.

(d) Transactions with related parties

Prior to becoming directors, the Directors formed a syndicate that agreed to pay $200,000 (on behalf of the Company) to the Deed Administrator for the purposes of satisfying all creditor claims, liabilities and obligations of the Company being compromised under the DoCA. The Company repaid the syndicate upon the completion of the capital raising.

NOTE 22: DISCONTINUED OPERATIONS

(a) Details of operations disposed

As a result of the Deed of Company Arrangement (DoCA) signed on 24 December 2013 with the followings key terms:

- The syndicate led by Pager Partners would loan the Company $200,000;
- The Company would pay $200,000 to the Deed Administrator for distribution under the DoCA to a Creditors' Trust, in return for secured and unsecured creditors releasing all claims against the Company as well as any charge over the Company;
- Certain unencumbered assets were to be retained by the Company; and
- A Creditors' Trust Deed be established pursuant to the DoCA to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance to be distributed to creditors as full and final payment of the Company's outstanding debts.

The terms of the DoCA were effectuated on 7 July 2014 at which time certain assets and liabilities were transferred to the creditors trust in full and final satisfaction of the Company's outstanding debts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 22: DISCONTINUED OPERATIONS (Continued)

(b) Financial performance of operations disposed

	2015 $'000	2014 $'000
Carrying value of Net Liabilities	5,336	-
Payment to HJB Creditors Trust	(200)	-
Net result for the half year	-	-
Net gain on disposal of operations	5,136	-

(c) Assets and liabilities of discounted operations

Cash and cash equivalents	764	-
Trade and other receivables	44	-
Trade and other payables	(720)	-
Provisions	(1,172)	-
Other provisions	(4,252)	-
Net liabilities attributable to discontinued operations	(5,336)	-

(d) Cash flows used in discontinued operations

Net cash used in operating activities	(964)	-
Net cash from investing activities	-	-
Net cash from financing activities	172	-
Net cash outflows for the half year	(792)	-

NOTE 23: EVENTS AFTER BALANCE DATE

There were no significant events subsequent to balance date.

NOTE 24: SUBSIDIARIES

				Equity Holding	
Name of entity		**Country of incorporation**	**Class of shares/units**	**2015**	**2014**
Hamilton James and Bruce Pty Limited	In liquidation	Australia	Ordinary	0%	100%
HJ&B Employee Pty Limited	Deregistered 20 November 2013	Australia	Ordinary	0%	100%
HJ&B Employee Share Trust		Australia	Ordinary	0%	100%
HJB Share Plan Pty Limited	Deregistered 20 November 2013	Australia	Ordinary	0%	100%
Hamilton James & Bruce (Australia) Pty Limited	Incorporated 19 June 2014	Australia	Ordinary	100%	100%

As at 30 June 2015 the Company only has one subsidiary being Hamilton James & Bruce (Australia) Pty Limited. During the financial year the Company's subsidiary was dormant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 25: RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO CASH OUTFLOW FROM OPERATING ACTIVITIES

	2015 $'000	2014 $'000
Profit/(Loss) for the year	4,603	(1,452)
Adjustments for non cash items		
Depreciation and amortisation expense	-	11
Write back of lease incentive	-	(13)
Impairment of property, plant & equipment due to Administration	-	12
Loss on sale of Hamilton James & Bruce Limited business	-	83
Share based payments	83	-
Changes in assets and liabilities		
Decrease in trade and other receivables	22	313
Decrease in other operating assets	-	67
Decrease in trade and other payables	(5,424)	(770)
Decrease in provisions	(708)	10
Net cash used in operating activities	(1,424)	(1,739)

NOTE 26: EARNING PER SHARE

	2015	2014 Restated
Basic (loss) per share - continuing operations (cents per share)	(0.25)	(8.61)
Basic profit per share - discontinued operations (cents per share)	1.9	-
Diluted (loss) per share - continuing operations (cents per share)	(0.25)	(8.61)
Diluted profit per share - discontinued operations (cents per share)	1.7	-
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic (loss) per share (in thousands)	212,904	16,877
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted (loss) per share (in thousands)	270,785	16,877

NOTE 27: SHARE BASED PAYMENTS

The result at 30 June 2015 includes a share based payment expense of $83,410 related the issue of 40,500,000 unlisted management options on 8 October 2014 to the Directors (as outlined in the Remuneration Report) and advisory committee members. The following assumptions were used in determining shares based payments.

	3yr Management Options	5yr Management Options
Amount of Options	20,250,000	20,250,000
Exercise Price (cents)	1.0	1.0
Grant Date	8/10/2014	8/10/2014
Expiry Date	8/10/2017	8/10/2019
Volatility	75%	75%
Vesting discount	50%	75%
Risk Free Rate	3.01%	3.47%
Value per Option (cents)	0.25	0.16
Weighted Average Life (Years)	2.3	4.3

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 28: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Directors' fees
Each of the Directors and the advisory committee members have agreed to receive 50% of their respective base salary up until the first material acquisition is made by the Company, at which time Directors will be paid the outstanding base salary to ensure that each Director receives 100% of their respective base salary for the period from the date of their appointment to the date of the acquisition. The remaining 50% of base salary (true up) has been treated as a contingent liability. Thereafter 100% of their respective base salary will be payable monthly. As at 30 June 2015 the contingent liability associated with the true up is $319,000.

NOTE 29: FINANCIAL INSTRUMENTS

The Company's approach to financial risk management is set out in Note 3. Set out below are the Company's specific financial instrument exposures are:

(a) Credit risk

Exposure to credit risk
The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Note	2015 $'000	2014 $'000
Cash and cash equivalents	9	992	764
Trade and other receivables	10	33	54
		1,025	818

Trade receivables are non-interest bearing with 30 day terms and in Australia.

(b) Liquidity risk

The following are contractual maturities of financial instruments, including interest payments, for the Company:

30 June 2015	Carrying amount $	Contract Cash Flows $	6 months or less $	6 - 12 months $	1 - 5 years $	More than 5 years $
Trade and other payables	137	137	137	-	-	-

30 June 2014	Carrying amount $	Contract Cash Flows $	6 months or less $	6 - 12 months $	1 - 5 years $	More than 5 years $
Trade and other payables	834	834	834	-	-	-

(c) Currency risk

For 30 June 2015, the Company has no material currency risk exposure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 29: FINANCIAL INSTRUMENTS (Continued)

(d) Interest rate risk

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000
Variable rate instruments		
Cash and cash equivalents	992	764

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, nor does it have any derivatives designated as hedging instruments under a fair value hedge accounting model. Therefore, a fair value change in interest rates at the reporting date would not affect profit or loss.

(e) Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	30 June 2015		30 June 2014	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Cash and cash equivalents	992	992	764	764
Trade and other receivables	33	33	54	54
Trade and other payables	(137)	(137)	(844)	(844)
	(888)	(888)	926)	890,280

Fair value of all non-current financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For non-current convertible notes, the market rate of interest is determined by reference to likely rates available on similar debt financing facilities, having regard to market conditions and to the Company's credit status.

DIRECTORS' DECLARATION

1) Subject to the uncertainty over the completeness of source documentation and its impact on current year and comparative disclosure, as disclosed in Note 1(b), in the opinion of the Directors of HJB Corporation Limited (the 'Company'):

   a) the accompanying financial statements, notes and the additional disclosures are 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 2015 and of its performance for the year then ended; and

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

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

   c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

   d) the audited remuneration disclosures set out on pages 10 to 13 of the Directors' Report comply with accounting standard AASB 124 Related Party Disclosures and the Corporations Regulations 2001.

2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

On behalf of the Directors

Mike Hill
Executive Chairman
31 August 2015

Stantons International Audit and Consulting Pty Ltd
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QUALIFIED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HJB CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of HJB Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1(a) and 1 (b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements do not comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

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

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

Independence

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

Basis for Disclaimer of Auditor's Opinion

The company was placed into administration on 12 September 2013 and the Deed of Company Arrangement was effectuated on 7 July 2014. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

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

Disclaimer of Auditor's Opinion

In our opinion:

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date;
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (iii) complying with all the requirements of the International Financial Reporting Standards.

Report on the Remuneration Report

We have audited the remuneration report included on pages 10 to 13 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Disclaimer of opinion

Because of the existence of the limitation on scope of our work, as described in the Basis of Disclaimer of Auditor's Opinion, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion on the remuneration report of HJB Corporation Limited for the year ended 30 June 2015 and whether it complies with Section 300A of the Corporations Act 2001.

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

Martin Michalik
Director

West Perth, Western Australia
31 August 2015

Stantons International Audit and Consulting Pty Ltd
trading as
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31 August 2015

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

Dear Sirs

RE: HJB CORPORATION LIMITED

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

As Audit Director for the audit of the financial statements of HJB Corporation Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully,

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

Martin Michalik
Director

ASX ADDITIONAL INFORMATION

AS AT 26 AUGUST 2015 – POST CONSOLIDATION ON 4 JULY 2014

NUMBER OF HOLDERS OF EQUITY SECURITIES - ORDINARY SHARES:

286,876,788 fully paid post consolidation ordinary shares held by 321 individual shareholders

All ordinary shares carry one vote per share

UNQUOTED SECURIT0IES:

There are 15 holders of 110,500,000 unquoted options.

Options	**Number**
Unlisted options, exercisable at $0.01 per option, expires on 8 October 2017	70,000,000
Unlisted options, exercisable at $0.01 per option, expires on 8 October 2017	20,250,000
Unlisted and unvested options, exercisable at $0.01 per option, expires on 8 October 2019	20,250,000

There are no holders with more than 20% of the unlisted options.

DISTRIBUTION OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES:

TOTAL HOLDERS FULLY PAID ORDINARY SHARES

Range	Securities	%	No. of holders
100,001 and Over	285,599,318	99.55	107
10,001 to 100,000	1,083,998	0.38	19
5,001 to 10,000	87,653	0.03	12
1,001 to 5,000	60,689	0.02	26
1 to 1,000	45,130	0.02	157
Total	**286,876,788**	**100.00**	**321**

The number of holders who held less than a marketable parcel of shares was 203 investors and they held 369,427 shares.

SUBSTANTIAL SHAREHOLDERS

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

Name	SHARES	%IC
REUNION NOMINEES PTY LTD	20,400,000	7.11
BREBEC PTY LTD	20,400,000	7.11
MRS SALAM NADER	20,400,000	7.11
UNITED EQUITY PARTNERS PTY LTD	18,600,000	6.48
HAYDALEX PTY LTD	18,400,000	6.41
CITICORP NOMINEES PTY LIMITED	16,310,521	5.69
HOLLOWAY COVE PTY LTD	15,000,000	5.23
JARUMITOTI PTY LTD, JARUMITOTI SUPER FUND	14,800,000	5.16

ASX ADDITIONAL INFORMATION

AS AT 26 AUGUST 2015 – POST CONSOLIDATION ON 4 JULY 2014

TOP 20 HOLDERS OF EQUITY SECURITIES

Rank	Name	SHARES	%IC
1	REUNION NOMINEES PTY LTD	20,400,000	7.11
1	BREBEC PTY LTD	20,400,000	7.11
1	MRS SALAM NADER	20,400,000	7.11
2	UNITED EQUITY PARTNERS PTY LTD	18,600,000	6.48
3	HAYDALEX PTY LTD	18,400,000	6.41
4	CITICORP NOMINEES PTY LIMITED	16,310,521	5.69
5	HOLLOWAY COVE PTY LTD	15,000,000	5.23
6	CHARTERHOUSE PTE.LTD.	14,143,175	4.93
7	BELA TEGEUSE PTY LTD	13,800,000	4.81
8	JARUMITOTI PTY LTD	12,228,560	4.26
9	TUBBIN INVESTMENTS PTY LTD	10,800,000	3.76
10	NATIONAL NOMINEES LIMITED	8,660,670	3.02
11	JASPAR INVESTMENTS PTY LIMITED	7,460,000	2.60
12	OCEANVIEW SUPER FUND PTY LTD	5,000,000	1.74
13	POLFAM PTY LTD	4,000,000	1.39
13	LUMAHAWI PTY LTD	4,000,000	1.39
14	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,677,712	1.28
15	MRS BELINDA E CURYER	2,900,000	1.01
16	JARUMITOTI PTY LTD	2,571,440	0.90
17	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	2,500,000	0.87
18	SHELCO INVESTMENTS PTY LTD	2,000,000	0.70
18	NOLAN-TOBSCHALL PTY LTD	2,000,000	0.70
18	MARWAYA PTY LTD	2,000,000	0.70
18	PAGER PARTNERS CORPORATE ADVISORY PTY LTD	2,000,000	0.70
18	LIDIA RANIERI	2,000,000	0.70
18	MR PAUL BARRY & MRS SHARON BARRY	2,000,000	0.70
18	MR CHRISTOPHER BRIAN SHARP	2,000,000	0.70
18	MAXIM CAPITAL PTY LIMITED	2,000,000	0.70
19	KAPP SUPERANNUATION PTY LIMITED	1,900,000	0.66
19	MR TODD MORGAN ROBERTS & MRS SONIA JAYNE ROBERTS	1,900,000	0.66
20	MR ALEXANDER JAMES WHITE	1,630,000	0.57
	Total	**242,682,078**	**84.59**
	Balance of register	**44,194,710**	**15.41**
	Grand total	**286,876,788**	**100.00**