

# **Australian Premier Finance Holdings Limited**

**ACN 099 912 044**

**Financial Report for the  
Half-Year Ended 31 December 2011**

# Australian Premier Finance Holdings Limited

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## Financial Report for the Half-Year Ended 31 December 2011

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# Australian Premier Finance Holdings Limited

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## Directors' Report

The directors of Australian Premier Finance Holdings Limited (the company) submit herewith the financial report of Australian Premier Finance Holdings Limited and its subsidiaries (the Group) for the half-year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

### Name

- **Mr Wayne Adsett**

Director

- **Mr Kenneth Allen**

Director

- **Mr Mark Ellis**

Director

The above named directors held office during and since the end of the half year.

### Review of operations

The principal activities of the company and its controlled entities (the "Group") for the half year continued as a provider of finance in the automotive industry. During the half year there was no significant change in the nature of those activities. The directors have reviewed the business operations during which lending opportunities were considered under current legislation and practices. A full consideration was given to the opportunities and risks at this time.

The company produced a loss after tax of \$145,041 (2010 : loss after tax of \$21,224).



Wayne Adsett  
Director

Newcastle, 6 March 2012

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF AUSTRALIAN PREMIER FINANCE HOLDINGS LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2011, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review

*Lawler Partners*

**LAWLER PARTNERS**  
Chartered Accountants

Newcastle

Dated: 6 March 2012

*Clayton Hickey*

**CLAYTON HICKEY**  
Partner

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## INDEPENDENT REVIEW REPORT

### TO THE MEMBERS OF AUSTRALIAN PREMIER FINANCE HOLDINGS LIMITED

#### Report on the Half Year Financial Report

We have reviewed the accompanying half-year financial report of Australian Premier Finance Holdings Limited (the consolidated entity) which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Auditing Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australian Premier Finance Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

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

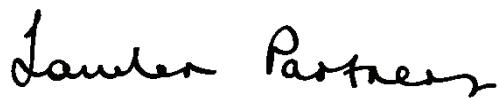
**INDEPENDENT REVIEW REPORT**

**TO THE MEMBERS OF AUSTRALIAN PREMIER FINANCE HOLDINGS LIMITED**

**Report on the Half Year Financial Report**

**Conclusion**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Australian Premier Finance Holdings Limited does not present fairly, in all material respects, the financial position of the consolidated entity as at 31 December 2011, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**LAWLER PARTNERS**  
Chartered Accountants

Newcastle

Dated: 6 March 2012



**CLAYTON HICKEY**  
Partner

# Australian Premier Finance Holdings Limited

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## Directors' Declaration

The directors declare that:

- (a) in their opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Wayne Adsett  
Director

Newcastle, 6 March 2012

# Australian Premier Finance Holdings Limited

## Condensed Consolidated Statement of Comprehensive Income for the Half-Year Ended 31 December 2011

	Consolidated	
	Half-year ended	Half-year ended
	31 Dec 2011	31 Dec 2010
	\$	\$
<b>Continuing Operations</b>		
Revenue	1,206,716	1,836,046
Cost of sales	(250,553)	(444,016)
<b>Gross Profit</b>	<b>956,163</b>	<b>1,392,030</b>
Administrative costs	(316,283)	(174,124)
Finance costs	(529,231)	(394,180)
Bad and doubtful debt expense	(199,442)	(487,562)
Factoring and usage fees	-	(308,953)
Other expenses	(63,530)	(43,997)
<b>Total expenses</b>	<b>(1,108,486)</b>	<b>(1,408,816)</b>
<b>(Loss) /profit before income tax expense</b>	<b>(152,323)</b>	<b>(16,786)</b>
Income tax benefit / (expense)	7,282	(4,438)
<b>(Loss) / profit for the period</b>	<b>(145,041)</b>	<b>(21,224)</b>
Other comprehensive income	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(145,041)</b>	<b>(21,224)</b>
<b>Earnings per share</b>		
From continuing operations:		
Basic (cents per share)	(0.25)	(0.04)
Diluted (cents per share)	(0.25)	(0.04)

Notes to the financial statements are included on pages 10 to 12.

# Australian Premier Finance Holdings Limited

## Condensed Consolidated Statement of Financial Position as at 31 December 2011

	Note	Consolidated	
		31 Dec 2011	30 Jun 2011
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		1,023,193	435,610
Trade and other receivables		2,941,913	3,556,171
Current tax asset		4,163	42,755
<b>Total current assets</b>		<b>3,969,269</b>	<b>4,034,536</b>
<b>Non-current assets</b>			
Trade and other receivables		2,386,774	3,171,481
Property plant and equipment		32,847	35,685
Deferred tax assets		291,823	284,541
Intangible assets		181,379	181,379
<b>Total non-current assets</b>		<b>2,892,823</b>	<b>3,673,086</b>
<b>Total assets</b>		<b>6,862,092</b>	<b>7,707,622</b>
<b>Current liabilities</b>			
Trade and other payables		38,556	90,045
Income tax payable		-	-
Borrowings	5	160,100	-
Employee benefits		28,683	24,243
<b>Total current liabilities</b>		<b>227,339</b>	<b>114,288</b>
<b>Non-current liabilities</b>			
Borrowings	5	6,511,348	7,327,889
Employee benefits		13,428	10,428
<b>Total non-current liabilities</b>		<b>6,524,776</b>	<b>7,338,317</b>
<b>Total liabilities</b>		<b>6,752,115</b>	<b>7,452,605</b>
<b>Net assets</b>		<b>109,977</b>	<b>255,018</b>
<b>Equity</b>			
Issued capital		182,700	182,700
Reserves		(179,322)	(179,322)
Retained earnings		106,599	251,640
<b>Total equity</b>		<b>109,977</b>	<b>255,018</b>

Notes to the financial statements are included on pages 10 to 12.

# Australian Premier Finance Holdings Limited

## Condensed Consolidated Statement of Cash Flows for the Half-Year Ended 31 December 2011

	Consolidated	
	Half-year ended 31 Dec 2011 \$	Half-year ended 31 Dec 2010 \$
<b><u>Cash flows from operating activities</u></b>		
Receipts from customers	143,509	529,696
Payments to suppliers and employees	(683,673)	(1,473,940)
Interest received	816,071	1,354,504
Interest paid	(401,181)	(393,332)
New loans issued	(897,705)	(1,602,882)
Loan payments received	2,357,411	3,038,844
Income tax refunded / (paid)	38,592	(104,564)
Net cash provided by operating activities	<u>1,373,024</u>	<u>1,348,327</u>
<b><u>Cash flows from investing activities</u></b>		
Acquisition of property, plant & equipment	(950)	(31,963)
Net cash used in investing activities	<u>(950)</u>	<u>(31,963)</u>
<b><u>Cash flows from financing activities</u></b>		
Net repayments from borrowings	(784,491)	(1,260,949)
Net cash used in financing activities	<u>(784,491)</u>	<u>(1,260,949)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>587,583</b>	<b>55,415</b>
<b>Cash and cash equivalents at the beginning of the half-year</b>	<b>435,610</b>	<b>392,032</b>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>1,023,193</b>	<b>447,447</b>

Notes to the financial statements are included on pages 10 to 12.

# Australian Premier Finance Holdings Limited

## Condensed Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2011

Consolidated	Share capital \$	Acquisition Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2010	182,700	(179,322)	558,942	562,320
Loss for the half-year	-	-	(21,224)	(21,224)
Dividends paid	-	-	-	-
<b>Balance at 31 December 2010</b>	<b>182,700</b>	<b>(179,322)</b>	<b>537,718</b>	<b>541,096</b>
Balance at 1 July 2011	182,700	(179,322)	251,640	255,018
Loss for the half year	-	-	(145,041)	(145,041)
Dividends paid	-	-	-	-
<b>Balance at 31 December 2011</b>	<b>182,700</b>	<b>(179,322)</b>	<b>106,599</b>	<b>109,977</b>

Notes to the financial statements are included on pages 10 to 12.

# Australian Premier Finance Holdings Limited

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## Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 31 December 2011

### 1 Summary of accounting policies

#### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

#### Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

#### New Standards, Interpretations and Amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2011. However, the following amendments to accounting standards as a result of the annual Improvements to AASB come into effect during the period, however did not have any impact on the accounting policies, financial position or performance of the Group:

##### **AASB 124 Related Party Transactions (Amendment)**

The AASB has issued an amendment to AASB 124 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

##### **AASB 132 Financial Instruments: Presentation (Amendment)**

The amendment alters the definition of a financial liability in AASB 132 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group.

##### **AASB Interpretation 14: Prepayments of a Minimum Funding Requirement (Amendment)**

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as pension asset. The Group is not subject to minimum funding requirements in Australia. The amendment to the interpretation therefore had no effect on the financial position or performance of the Group.

##### **Improvements to AASB (issued May 2010)**

In May 2010, the AASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position or performance of the Group.

##### **AASB 3: Business Combinations**

The measurement options available for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

##### **AASB 7: Financial Instruments — Disclosures**

The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

# Australian Premier Finance Holdings Limited

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## Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 31 December 2011

### 1 Summary of accounting policies (cont.)

#### AASB 101: Presentation of Financial Statements

The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

#### AASB 134: Interim Financial Statements

The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

### 2 Segment information

The company operates in one business segment that being to provide finance for the purchase of motor vehicles. The company operates predominately in one geographical segment that being Australia.

### 3 Dividends

	Half-year ended 31 Dec 2011		Half-year ended 31 Dec 2010	
	Cents per share	Total \$	Cents per share	Total \$
<b><u>Recognised amounts</u></b>				
Fully paid ordinary shares				
Final dividend paid	-	-	-	-
<b><u>Unrecognised amounts</u></b>				
Fully paid ordinary shares				
Interim dividend	-	-	-	-

### 4 Subsequent events

There has not been any other matter or circumstance that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### 5 Borrowings

During the period, APF received further funding from Mr Charles Garrison of \$536,586, whilst repayments of \$1,189,348 were made in extinguishing new and existing borrowings from Mr Garrison.

APF obtained a new short term loan from MP Ellis Holdings Pty Ltd to the amount of \$160,000. The loan bears interest of 17% and is repayable in one year. The loan was secured by a fixed and floating charge over the company's assets registered with ASIC on 30 September 2011.

APF repaid \$291,729 of a loan to Adsett Associates Ltd in line with agreed repayment terms. \$100 remains payable at period end.

# Australian Premier Finance Holdings Limited

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## Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 31 December 2011

### 6 Change in accounting estimates

There has been no changes to accounting estimates in the half year ended 31 December 2011.

### 7 Contingent liabilities and contingent assets

There were no changes to contingent liabilities or contingent assets of the consolidated entity for the half year period to 31 December 2011.

### 8 Related party transactions

During the half year, the following transactions were conducted with related parties. All transactions are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated:

- a) As disclosed above, APF received a loan of \$160,000 from MP Ellis Holdings Pty Ltd (a company associated with Mr M Ellis). Interest of \$9,163 was expensed during the half year to 31 December 2011 in respect of this loan. The total amount owing as at 31 December 2011 was \$166,897.
- b) As above, APF repaid \$291,729 of a loan to Adsett & Associates Ltd in line with agreed repayment terms. \$100 remains payable at period end. Interest of \$14,916 was expensed during the half year to 31 December 2011 in respect of this loan.
- c) APH paid rent and outgoings of \$42,951 for premises to a company associated with Mr K Allen.
- d) Adsett & Associates Limited held 192,369 \$1 redeemable preference shares as at 31 December 2011. Interest of \$10,201 was expensed during the half year ended 31 December 2011 and total interest payable on these redeemable preferences shares was \$21,849 at 31 December 2011.
- e) K & J Allen held 680,192 \$1 redeemable preference shares as at 31 December 2011. Interest of \$36,069 was expensed during the half year ended 31 December 2011 and total interest payable on these redeemable preferences shares was \$77,253 at 31 December 2011.
- f) MP Ellis Holdings Pty Limited held 396,709 \$1 redeemable preference shares as at 31 December 2011. Interest of \$21,036 was expensed during the half year ended 31 December 2011 and total interest payable on these redeemable preferences shares was \$45,056 at 31 December 2011.