

**AUSTRALIAN SMALL SCALE OFFERINGS
BOARD LIMITED
AND CONTROLLED ENTITIES**

ACN: 109 469 383

**Financial Report For The Year Ended
30 June 2012**

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES

ACN: 109 469 383

Financial Report For The Year Ended 30 June 2012

CONTENTS	Page
Corporate Governance Statement	1
Directors' Report	3
Auditor's Independence Declaration	11
Consolidated Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16
Directors' Declaration	35
Independent Auditor's Report	36

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES CORPORATE GOVERNANCE STATEMENT

The Board of Australian Small Scale Offerings Board Limited (ASSOB) is committed to maintaining the highest standards of corporate governance. Corporate governance is about having a set of values that underpin the company's everyday activities and values that ensure fair dealing, transparency of actions and protect the interests of stakeholders.

ASSOB has been guided by the principles of corporate governance promoted by the National Stock Exchange of Australia (NSX). This statement outlines the main corporate governance practices followed by the Company, which take into account the operational and lifecycle requirements of the Company. The Company's corporate governance framework includes a Board Charter, Code of Conduct, Securities Dealing Policy, Continuous Disclosure Policy and various other policies, which are reviewed each year.

Role of the Board

The Board's primary role is the overall governance and stewardship of the Company for the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for setting the overall strategic direction, financial objectives and operational goals of ASSOB and monitoring management's implementation of these. The Board is also responsible for overseeing succession planning for directors and senior management, determining remuneration for senior management and for directors (within shareholder approved limits), identifying and managing risk, monitoring the integrity of internal control and management information systems and approving and monitoring financial and other reporting.

The Board has delegated responsibility for the day to day operations and administration of the Company to the Chief Executive Officer and senior management and these responsibilities are delineated by formal delegated authority. These responsibilities are reviewed against appropriate performance indices and updated at regular intervals including annual salary reviews and setting of the Company's key milestones.

Board Size and Composition

The Board determines its size and composition, subject to the limits imposed by the Company's Constitution, which requires a minimum of three and a maximum of ten directors. The Directors have determined that for the time being the number of directors shall be a minimum of four. From time to time the Board may review the appropriate number of directors and may resolve to appoint additional directors who possess skills that will add value of the Board. New appointments are to be ratified by the members at the next Annual General Meeting.

Role of Chairman

The Chairman, who is elected by the Board, presides over Board meetings and General Meetings of the Company. The Chairman's responsibilities include providing effective leadership and ensuring effective performance of the Board and any committees and representing the views of the board to governments, the public etc. The Chairman is a non-executive director.

Board Meetings

Board meetings are held in accordance with a calendar agreed to by Board members. The Chairman or any Director may convene additional meetings if required. The Chairman establishes meeting agendas to ensure adequate coverage of financial, strategic and major risk areas throughout the year.

Access to Information and Advice

All Directors have unrestricted access to ASSOB's records and information. The Board collectively, and each Director individually, has the right to seek independent professional advice at the Company's expense to help them carry out their responsibilities. While the Chairman's prior approval is required, it may not be unreasonably withheld and, in its absence, Board approval may be sought.

Committees

Due to the small size of the Company and the Board, those functions that are commonly delegated to committees are performed by the full Board.

Risk Management

Taking and managing risk are central to business and to building shareholder value. ASSOB's approach is to identify, assess and control the risks which affect its business. The intention is to enable risks to be balanced against appropriate rewards. The risk management approach links the Company's vision and values, objectives and strategies, and procedures and training.

Risk Management Roles and Responsibilities

The Board is responsible for approving and reviewing ASSOB's risk management strategy and policy. The Chief Executive Officer is responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES CORPORATE GOVERNANCE STATEMENT

Financial Reporting

The Board receives regular reports about the financial condition and operational results of ASSOB. The Chief Executive Officer periodically provides formal statements to the Board that in all material respects:

- the Company's financial statements present a true and fair view of ASSOB's financial condition and operational results, and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and

Internal Audit

There is no internal audit department. The assessment of the control system is undertaken by the Chief Executive Officer and the

Conflict of Interest

Any Director who has a conflict of interest must notify each other Director of this conflict prior to, or at the latest, at the first Board meeting subsequent to becoming aware of the conflict. Any services provided by Directors or transactions involving entities related to Directors must be on arms length terms and approved by the board.

Code of Conduct

ASSOB has in place a Code of Conduct which deals with, amongst other areas, conflict of interest, personal gains and gifts, confidentiality, compliance with the law and policies and the work environment. All Directors and employees are bound by the Code of Conduct.

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Trading in Company Securities

The Board has adopted a Securities Dealing Policy, which applies to all Directors and employees. The policy specifies the periods during which the purchase and sale of the securities may not occur and sets out a notification procedure concerning transactions.

Communication with Shareholders

The Board has adopted a Continuous Disclosure Policy and has implemented a procedure to ensure the prompt release to the NSX of price sensitive information. Shareholder newsletters are sent to shareholders at times deemed appropriate by the Board.

All Board members and the external auditor attend the Annual General Meeting (AGM) and are available to answer questions. Notice of the AGM, and related papers, is sent to all Shareholders at least 28 days before the meeting. Resolutions are proposed on each substantially separate issue, including in relation to the Annual Accounts and the Directors' Remuneration Report.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being the Company and its controlled entities for the financial year ended 30 June 2012.

Principal Activities and Significant Changes in Nature of Activities

The business of the Australian Small Scale Offerings Board Limited (ASSOB) is a matching service between investors and companies raising capital under the Class Order 02/273 and Section 708 of the Corporations Act, 2001. The Board operates through around 25 active accredited sponsor organizations and ASSOB's internal sponsor, Springboard Equity, that act like nominated advisors and clients are not able to "list" on the Board for capital raising without the facilitation of the sponsor.

Fees are charged for the preparation of capital structures and Offer Documents by the sponsors for the clients, which after "listing" become Issuers. The Issuers are taken through an instructional/coaching process by the sponsors, which assists the clients to develop good governance and compliance disciplines while they raise capital and afterwards. This provides transparency, certainty and comfort for both the Issuers and the investors, which results in more likelihood that the necessary capital is raised. A success fee taken as a percentage of the capital raised is split between the Company and the sponsor.

All investor transactions are undertaken by a custodial service operated either by ASSOB's wholly owned subsidiary, Unlisted Services Pty Ltd or by Shelf Company Services Pty Ltd and are subject to the regulations of the Unlisted Services or Shelf Company Services Trust Account.

The principal activities of the Company during the course of the financial year were:

- 1 Operating a matching service between investors and companies raising capital under Class Order 02/273 and Section 708 of the Corporations Act, 2001;
- 2 Providing that service to affiliated sponsors of the ASSOB network who pass the service on to their clients;
- 3 Providing a Capital Raising Platform that shepherds organisations wishing to raise capital through the process of raising funds for their business as well as educating them in the area of capital raising and the compliance and governance issues allied to this;
- 4 Related marketing and promotional activities.
- 5 Providing a custodial service and share registry services for companies raising capital on ASSOB's board.

There were no other significant changes in the nature of the consolidated group's principal activities during the financial year.

Operating Results and Review of Operations for the year

Operating Results

The net loss for the consolidated entity for the year after income tax was (\$126,970) (2011 profit: \$19,264). The entity was involved in litigation in the previous financial year, resulting in further legal expenses of \$37,501 being incurred. This significant expense resulted in a reduction of profit after income tax by \$37,501.

Included in this profit figure is a Research & Development income tax refund of \$54,438 (2011: \$53,679).

Review of Operations

The net loss after tax for the year of (\$126,920) (2011: \$19,264 profit) was made up of a loss of (\$98,620) (2011: \$83,010 profit) for the first half-year ended 31 December 2011 and a loss of (\$28,300) (2011: (\$63,746) loss) for the second half-year ended 30 June 2012. Revenue from operations for the year was \$842,636 (2011: \$868,801), made up of \$407,859 for the first half (2011: \$493,901) and \$433,970 in the second half (2011: \$374,900).

The past financial year has seen the climate for capital raising becoming more difficult due to the troubled international environment, the economic problems in the US & Europe, and the resulting lack of confidence by investors. General Investor and entrepreneurial confidence are essential elements in running a profitable operation.

ASSOB has invested over \$25,000 developing the functionality of its web based platform. While we provide a considerably better quality service to both those raising funds on the platform and those investing than we previously did we are mindful of balancing costs against revenue received without compromising quality.

While ASSOB has seen a slight reduction in the volume of small scale offerings the decline hasn't been as marked as the decline in initial public offerings (IPOs) on the Australian Securities Exchange (ASX), which are a good measure of capital raising health.

Excluding the mining sector, the reality is that much of the future employment growth in Australia will depend on small businesses, and the major constraint on them is finance to grow their businesses. If the banks are unable to finance growth the provision of equity growth capital is an obvious alternative. This is where ASSOB plays a creative role in assisting these companies to realise their potential.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES DIRECTORS' REPORT

ASSOB has always been a major player in the democratisation of equity based funding. Twenty-five years ago ASSOB's Chairman, Tony Puls worked hard to assist regulators to bring in legislation that made it easier for small businesses to raise the funding they needed, legally, from people one, two and three degrees out from the entity. It is this legislation that ASSOB now operates under.

ASSOB continues to attract growing interest both from investors who are increasingly keen to access high potential, innovative companies, and from entrepreneurs who are recognising that obtaining equity capital gives them a firm basis to grow their business.

One of ASSOB's most successful capital raising efforts in the 2011/12 financial year was smile.com.au, with \$500,000 raised in two days and a total of \$900,000 raised over the last 12 months in cash and commitments. Smile.com.au is the company behind Australia's first dental plan, boasting hundreds of participating dentists throughout the country.

ASSOB has an established track record in raising capital for high growth unlisted companies, with over 176 companies securing funding over the past five years. On average the capital raised by each company was over \$522,000. This was achieved by entrepreneurs offering around 20 per cent ownership of their businesses.

The maximum amount a company has raised on the ASSOB platform was \$3.5 million, ranging down to a minimum of \$55,000, which demonstrates the diversity of the companies and their requirements.

The main industry sectors listing on ASSOB are IT & Technology, accounting for 17 per cent of the board, followed by software and web based companies at 11 per cent, and health and beauty at 10 per cent.

With the passing of the Jobs Act in the USA to allow equity investment by friends, family, fans and followers of U.S. entities there is intense interest in the few entities worldwide that have operated in this space for a long period of time. ASSOB is one of those entities and in a recent article in Forbes magazine the quoted text was as follows "Our best indication of how equity-based funding will work is to look at the places it already exists. We track the Australian platform ASSOB that was founded in 2005, so we have 6-7 years of data to look at. Through their platform, they've helped fund 176 companies so far."

Financial Position

Liquidity and capital resources

At 30 June 2012 the Company had cash at bank of \$30,869 and a current receivables balance of \$86,428. \$54,438 Research & Development refund is due from the Australian Taxation Office. The total current assets amount to \$117,297.

The ratio of current assets to current liabilities of \$244,259 is 1:2.08. This compares unfavourably to the prior year current ratio of 1:0.92 when the current assets were \$137,570 and current liabilities \$244,259. The current liabilities include a short-term loan of \$35,000 provided by a shareholder and increased accounts payable.

Asset and capital structure

The Company's most important asset is the intellectual property of the ASSOB capital raising process, the Company's website, which includes the primary and secondary boards; pages for ASSOB listed Issuer companies, support information and tools for sponsors and its relationship with its sponsors and investor subscribers.

Issued capital of \$15,292,480 is comprised of \$10,825,200 that relates to the period prior to the merger, when the company traded as Appollo Assets Limited, \$4,050,751 that relates to the shares previously issued by the Company's subsidiary, ASSOB Pty Ltd prior to the merger and \$414,696 issued since the merger.

The Company also has \$454,002 in non-current borrowings provided by a director and major shareholders.

Share issues during the year

No shares were issued during the year ended 30 June 2012.

Profile of debts

A short term loan of \$35,000 was provided by a major shareholder during the year. This is repayable by instalments by March 2013.

The group's long term debt finance is made up of \$454,002 loans from major shareholders. Both are interest only loans with principal repayable in 2015. ASSOB may elect to repay these loans early if it is considered appropriate.

Capital expenditure

The capital expenditure incurred for the year was \$22,268 in plant & equipment and \$27,054 invested in upgrading the Company's website, which includes the capital raising platform, and other computer equipment assets.

Treasury policy

Cash received is deposited into and payments are made out of the Company's transaction account. The Company keeps a cash balance of \$20,000 to \$40,000 to maintain liquidity.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

Summary of performance

		2008*	2009*	2010	2011	2012
Gross revenue	\$'000	-	1,717	983	902	842
Net profit before tax	\$'000	(179)	(4,876)	4	(117)	(207)
Total assets	\$'000	1	358	469	339	333
Total liabilities	\$'000	1	745	733	584	705
Shareholders' funds	\$'000	-	(387)	(264)	(245)	(372)
Earnings per share	Cents	(179)	(4.08)	0.09	0.01	(0.09)
Dividends per share	Cents	-	-	-	-	-
Net tangible assets per share	Cents	-	(0.33)	(0.25)	(0.24)	(0.33)
Price earnings ratio		(3.04)	(0.25)	2.34	14.61	(2.22)

* Prior to the merger completed on 26 August 2008 the Company was operating as Appollo Assets Limited, which is reflected in the first two years of this table.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company.

Dividends Paid or Recommended

No dividends were paid or recommended for the period.

Events after the Reporting Period

There were no events after the reporting period.

Future Developments, Prospects and Business Strategies

Your Directors recognise that we are a leader in this space and have undertaken considerable enhancements to the ASSOB platform to ensure it is easily customised to changes in equity based funding legislation as it is introduced in countries worldwide. Discussions are already underway in several jurisdictions as to the most suitable customization for each country. To ensure the ASSOB platform remains in front recent enhancements have included integration with leading social media services, smart statistics so that issuers can more easily monitor fundraising progress and a semi automatic fund raising matter management system. While these changes have meant considerable investment at a time when the economic environment is not delivering the funds to expand the platform we believe this investment places ASSOB in a unique position worldwide to participate in the establishment of capital raising platforms in various international locations.

Environmental Issues

The Company's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. However ASSOB's policies encourage staff and directors to consider the environment in carrying out their duties.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Information on Directors

Mr Anthony Puls	—	Chairman and Founder, Non-independent Non-Executive Director
Qualifications	—	MAICD, Dip REIA
Experience	—	Specialist experience in Class Order 02/273 and Section 708 of the Corporations Act, 2001
Interest in Shares and Options	—	Ordinary Shares: 49,642,800; Options: Nil
Mr Paul Niederer	—	Chief Executive Officer
Qualifications	—	B.Comm Accounting
Experience	—	Experience as CEO of ASX listed company and extensive business establishment and expansion experience with a passion for business start-ups
Interest in Shares and Options	—	Ordinary Shares: 401,333; Options: Nil
Directorships held in other listed entities during the three years prior to the current year	—	Former director of Pearl Healthcare (ASX:PHL)
Ms Susan Williams	—	Non-Independent Non-Executive Director, Company Secretary
Qualifications	—	MAICD, CPA, ACIS, BA(Acc), MBA, Grad.Dip.App.Corp.Gov
Experience	—	Experience as CFO and Company Secretary of ASX listed company, extensive corporate finance and administration experience across diverse industries
Interest in Shares and Options	—	Ordinary Shares: 43,333; Options: Nil
Mr Peter Stirling	—	Non-Independent Non-Executive Director
Qualifications	—	B.Ec
Experience	—	Experience in journalism and media; Successful business start-up, growth and scale
Interest in Shares and Options	—	Ordinary Shares: 47,995,110; Options: Nil
Directorships held in other listed entities during the three years prior to the current year	—	Director of Pearl Healthcare (ASX:PHL)

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Ms Susan Williams BA (Acc), MBA, Grad.Dip.App.Corp.Gov. was appointed as Company Secretary in September 2008. Ms Williams is a CPA, Chartered Secretary and Member of the Australian Institute of Company Directors. She has previously held the role of Chief Financial Officer and Company Secretary of another listed public entity and prior to that held executive and management roles with various organisations.

Meetings of Directors

During the financial year, 11 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Directors' Meetings		Audit		Nomination		Remuneration		Finance and Operations	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Anthony Puls	11	11	-	-	-	-	-	-	-	-
Mr Paul Niederer	11	11	-	-	-	-	-	-	-	-
Ms Susan Williams	11	11	-	-	-	-	-	-	-	-
Mr Peter Stirling	11	11	-	-	-	-	-	-	-	-

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Indemnifying Officers or Auditor

During the year, Directors and Executive officers of Australian Small Scale Offerings Board Limited were insured as part of an insurance policy undertaken against a liability of a nature that is required to be disclosed under the Corporations Act. In accordance with the Corporations Act 2001 further details have not been disclosed due to confidentiality provisions in the insurance contract.

Options

No Director or Officer holds any option in the Company or any other right to subscribe for equity or debt securities in the Company.

Proceedings on Behalf of Company

The company was not involved in any litigation during the year.

Non-audit Services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or Group are important.

The board of directors has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and that none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The following fees were paid or payable to Rothsay for audit and non-audit services provided during the year ended 30 June 2012

	\$
Audit services	14,000
Non-audit services	-
	<u>14,000</u>

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 10 of the Financial Report.

ASIC Class Order 98/100 Rounding of Amounts

The Company is not of a kind referred to in ASIC Class Order 98/100 dated 10 July 1988 so there is no rounding in the directors' report or financial report.

REMUNERATION REPORT

Remuneration policy

This report outlines Australian Small Scale Offerings Board Limited's remuneration policy for Directors and Key Management Personnel in accordance with AASB124 Related Party Disclosures and the requirements of the Corporations Act 2001. There were no other transactions with Key Management Personnel during the year.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Transparency
- Capital management

Performance-based Remuneration

Incentive payments are made for profit and revenue related performance.

Relationship between Remuneration Policy and Company Performance

The remuneration packages of the executives have been developed in accordance with the strategy of strictly controlling costs while rewarding performance that achieves revenue and profit targets.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES DIRECTORS' REPORT

Performance Conditions Linked to Remuneration

Performance incentives for sales related activities that relate to revenue targets are calculated on total additional revenue generated by that employee.

The performance related proportions of remuneration based on these targets are included in the following table. The objective of the reward schemes is to both reinforce the short and long-term goals of the Group and to provide a common interest between management and shareholders. There has been no alteration to the terms of the bonuses paid since grant date.

The satisfaction of the performance conditions is based on a review of the audited financial statements of the Group, as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with factors external to the Group at this time.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position Held as at 30 June 2012 and any change during the year	Contract details (duration & termination)
Group Key Management Personnel		
Mr Anthony Puls	Chairman	
Mr Paul Niederer	Chief Executive Officer	Employer: ASSOBS Pty Ltd, ongoing contract.
Ms Susan Williams	Director and Secretary	Ongoing contract for Company Secretarial services
Mr Peter Stirling	Non-independent, Non-executive Director	
Other Executives		
Ms Terrina Planincic	Legal Counsel	Employer: ASSOBS Pty Ltd, ongoing contract.

The employment terms and conditions of KMP are formalised in contracts of employment.

Changes in Directors and Executives Subsequent to Year-end

There have been no changes in directors and executives subsequent to year-end.

Remuneration Details for the Year Ended 30 June 2012

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of KMP of the consolidated group:

Table of Benefits and Payments for the year ended 30 June 2012

	Short-term benefits				Post Employment Benefits	
	Salary, Fees and Leave \$	Profit Share and bonuses \$	Non-monetary \$	Other \$	Pension and superannuation \$	Other \$
2012						
Group Key Management Personnel						
Mr Anthony Puls	-	-	-	-	-	-
Mr Paul Niederer	120,000	-	-	-	10,800	-
Ms Susan Williams	-	-	-	-	-	-
Mr Peter Stirling	-	-	-	-	-	-
Total Key Management Personnel	120,000	-	-	-	10,800	-
Other Executives						
Ms Terrina Planincic	71,665	-	-	-	6,450	-

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

	Long-term benefits		Equity-settled share-based payments		Cash-settled share-based payments	Termination benefits	Total
	Incentive Plans \$	LSL \$	Shares/Units \$	Options/Rights \$			
2012							
Group Key Management Personnel							
Mr Anthony Puls	-	-	-	-	-	-	-
Mr Paul Niederer	-	-	-	-	-	-	130,800
Ms Susan Williams	-	-	-	-	-	-	-
Mr Peter Stirling	-	-	-	-	-	-	-
Total Key Management Personnel	-	-	-	-	-	-	130,800
Other Executives							
Ms Terrina Planincic	-	-	-	-	-	-	78,115
	Short-term benefits				Post Employment Benefits		
	Salary, Fees and Leave \$	Profit Share and bonuses \$	Non-monetary \$	Other \$	Pension and superannuation \$	Other \$	
2011							
Group Key Management Personnel							
Mr Anthony Puls	-	-	-	-	-	-	-
Mr Paul Niederer	96,923	-	-	-	8,723	-	-
Ms Susan Williams	-	-	-	-	-	-	-
Mr Peter Stirling	-	-	-	-	-	-	-
Total Key Management Personnel	96,923	-	-	-	8,723	-	-
Other Executives							
Ms Terrina Planincic	38,930				3,504		
	Long-term benefits		Equity-settled share-based payments		Cash-settled share-based payments	Termination benefits	Total
	Incentive Plans \$	LSL \$	Shares/Units \$	Options/Rights \$			
2011							
Group Key Management Personnel							
Mr Anthony Puls	-	-	-	-	-	-	-
Mr Paul Niederer	-	-	-	-	-	-	105,646
Ms Susan Williams	-	-	-	-	-	-	-
Mr Peter Stirling	-	-	-	-	-	-	-
Total Key Management Personnel	-	-	-	-	-	-	105,646
Other Executives							
Ms Terrina Planincic	-	-	-	-	-	-	42,434

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

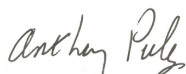
Securities Received that are not Performance Related

No members of KMP are entitled to receive securities which are not performance-based as part of their remuneration package.

Options and Rights Granted (Including Description of Options and Rights Issued as Remuneration)

There were no options or rights granted during the year.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



.....
Mr Anthony Puls
Chairman

Dated: 18/09/2012



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

ROTHSAY CHARTERED ACCOUNTANTS

FRANK VRACHAS

Level 1, 12 O'Connell Street, SYDNEY NSW 2000

Dated this 28th day of September 2012



Chartered Accountants

Level 1, 12 O'Connell Street, Sydney NSW 2000
GPO Box 542, Sydney NSW 2001
www.rothsay.com.au
Phone: (02) 8815 5400 Fax: (02) 8815 5401
ABN: 59 087 479 410



Liability Limited
by a scheme approved
under Professional
Standards Legislation

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

		Consolidated Group		Parent Entity	
		2012	2011	2012	2011
	Note	\$	\$	\$	\$
Revenue	2	842,096	874,783	29	4,795
Other income	2	540	33,473	-	-
Employee benefits expense		(426,918)	(386,435)	-	-
Sales and marketing expenses		(25,588)	(20,039)	-	-
Bad Debts expense	3	(18,330)	(60,303)	-	-
Cost of sales	3	(41,244)	(4,803)	-	-
Occupancy costs	3	(74,015)	(33,014)	-	-
Legal expenses		(37,501)	(35,630)	-	-
Depreciation and amortisation expense		(39,240)	(33,947)	-	-
Finance costs	3	(37,512)	(41,810)	-	-
Impairment of assets		-	-	-	(762,108)
Other expenses		(349,663)	(409,534)	(94,719)	(94,382)
Profit before income tax	3	(207,375)	(117,259)	(94,690)	(851,695)
Income tax expense	4	80,455	136,523	73,583	147,201
Net Profit for the year	3	(126,920)	19,264	(21,107)	(704,494)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		(126,920)	19,264	(21,107)	(704,494)
Net profit attributable to:					
Members of the parent entity		(126,920)	19,264	(21,107)	(704,494)
Non-controlling interest					
		(126,920)	19,264	(21,107)	(704,494)
Total comprehensive income attributable to:					
Members of the parent entity		(126,920)	19,264	(21,107)	(704,494)
Non-controlling interest					
		(126,920)	19,264	(21,107)	(704,494)
Earnings per share					
Basic earnings per share (cents)	7	(0.09)	0.01		N/A
Diluted earnings per share (cents)	7	(0.09)	0.01		N/A

The accompanying notes form part of these financial statements.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

		Consolidated Group		Parent Entity	
		2012	2011	2012	2011
	Note	\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	30,869	41,520	-	-
Trade and other receivables	9	86,428	74,157	28,951	53,679
Deposits held		-	21,893	-	-
TOTAL CURRENT ASSETS		117,297	137,570	28,951	53,679
NON-CURRENT ASSETS					
Other financial assets	10	-	-	100	100
Property, plant and equipment	12	52,010	62,358	-	-
Deferred tax assets	16	38,177	44,749	4,200	3,900
Intangible assets	13	99,260	94,445	-	-
Deposits held		26,208	-	-	-
TOTAL NON-CURRENT ASSETS		215,655	201,552	4,300	4,000
TOTAL ASSETS		332,952	339,122	33,251	57,679
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	14	153,120	90,497	14,000	13,000
Borrowings	15	35,000	-	-	-
Provisions for employee benefits	17	56,139	36,250	-	-
TOTAL CURRENT LIABILITIES		244,259	126,747	14,000	13,000
NON-CURRENT LIABILITIES					
Borrowings	15	454,002	454,002	577,975	556,809
Provisions for employee benefits	17	6,750	3,612	-	-
TOTAL NON-CURRENT LIABILITIES		460,752	457,614	577,975	556,809
TOTAL LIABILITIES		705,011	584,361	591,975	569,809
NET ASSETS / (LIABILITIES)		(372,059)	(245,239)	(558,724)	(512,130)
EQUITY					
Issued capital	18	15,292,480	15,292,480	15,292,480	15,292,480
Retained earnings		(15,664,539)	(15,537,719)	(15,851,204)	(15,804,610)
Parent interest		(372,059)	(245,239)	(558,724)	(512,130)
Non-controlling interest		-	-	-	-
TOTAL EQUITY / (CAPITAL DEFICIANCY)		(372,059)	(245,239)	(558,724)	(512,130)

The accompanying notes form part of these financial statements.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Ordinary Share Capital \$	Retained Earnings \$	Total \$
Consolidated Group			
Balance at 1 July 2010	15,292,480	(15,556,970)	(264,490)
Comprehensive income			
Profit for the year	-	19,351	19,351
Other comprehensive income for the year			
Total comprehensive income for the year	-	19,351	19,351
Balance at 30 June 2011	15,292,480	(15,537,619)	(245,139)
Balance at 1 July 2011	15,292,480	(15,537,619)	(245,139)
Comprehensive income			
Profit for the year	-	(126,920)	(126,920)
Other comprehensive income for the year			
Total comprehensive income for the year	-	(126,920)	(126,920)
Balance at 30 June 2012	15,292,480	(15,664,539)	(372,059)

The accompanying notes form part of these financial statements.

	Ordinary Share Capital \$	Retained Earnings \$	Total \$
Parent Entity			
Balance at 1 July 2010	15,292,480	(15,100,116)	192,364
Comprehensive income			
Profit for the year	-	(704,494)	(704,494)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(704,494)	(704,494)
Balance at 30 June 2011	15,292,480	(15,804,610)	(512,130)
Balance at 1 July 2011	15,292,480	(15,804,610)	
Comprehensive income			
Profit for the year	-	(21,107)	(21,107)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(21,107)	(21,107)
Balance at 30 June 2012	15,292,480	(15,825,717)	(21,107)

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		836,563	871,709	-	-
Dividends received		-	-	-	-
Interest received		297	5,982	29	4,795
Payments to suppliers and employees		(879,501)	(1,006,634)	(93,719)	(93,382)
Finance costs		(37,512)	(41,810)	-	-
Income tax paid		72,524	88,587	72,524	194,131
Net cash provided by/(used in) operating activities	21a	(7,629)	(82,166)	(21,166)	105,544
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	-	-	-
Purchase of property, plant and equipment		(31,925)	(3,956)	-	-
Purchase of financial assets		-	-	-	-
Purchase of other non-current assets		(6,097)	(23,383)	-	-
Net cash provided by/(used in) investing activities		(38,022)	(27,339)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan from related parties					
- payments made		-	-	-	(105,544)
- proceeds from borrowings		35,000	105,544	21,166	-
Net cash provided by/(used in) financing activities		35,000	105,544	21,166	(105,544)
Net increase/(decrease) in cash and cash equivalents		(10,651)	(3,961)	-	-
Cash and cash equivalents at beginning of financial year	8	41,520	45,481	-	-
Cash and cash equivalents at end of financial year	8	30,869	41,520	-	-

The accompanying notes form part of these financial statements.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

These consolidated financial statements and notes represent those of Australian Small Scale Offerings Board Limited and Controlled Entities (the "consolidated group" or "group").

The financial statements were authorised for issue on 13 September 2012 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

As at 30 June 2012 the Group had a net assets deficit of \$372,059 (2011: \$245,239). The financial report has been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In determining this basis, the Directors have had regard to the following:

- newly implemented education and training program to increase number of issuers
- employment of an in-house case manager to improve processing efficiencies
- positive cash flow projections for the Group
- a director being a major shareholder of the company who provides funds as and when required
- the raising of funds through issuing ordinary shares to supplement funding of working capital

Based on the above, the Directors are of the opinion that the Group will continue to be able to meet its obligations as they become due and payable over the next twelve months.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Australian Small Scale Offerings Board Limited at the end of the reporting period. A controlled entity is any entity over which Australian Small Scale Offerings Board Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 11 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align with the policies adopted by the Group.

In the Parent Entity's financial statements, investments in subsidiaries are carried at cost.

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in investments in associates. Goodwill is tested annually for impairment and 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.

(b) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction which is not a business combination that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Owned assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Susbequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

Depreciation

Depreciation is charged to the profit or loss on a straight-line basis or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives in the current and comparative periods are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(e) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Non-derivative financial instruments

Non-derivative financial instruments comprise other financial instruments, trade and other receivables, cash and cash equivalents, borrowings, and trade and other payables.

Non-derivative financial instruments are recognised at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as detailed in the following paragraphs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Share capital

(i) *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related tax effects.

(ii) *Repurchase of share capital*

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity.

(iii) *Dividends*

Dividends are recognised as a liability in the period in which they are declared.

(f) Impairment of Assets

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset is measured at amortised cost and is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit or loss. Any cumulative losses in respect of an available-for-sale financial asset recognised previously in equity are transferred to the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro-forma basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Intangibles Other than Goodwill

Computer Software

Expenditure on software development activities whereby development is applied to plan or design improved products and processes, is capitalised if the product is technically and commercially feasible and the Group has sufficient resources to complete the development. Costs directly attributable to the development of software are capitalised including salaries of programmers in creating new enhancements to the software.

Expenditure on research activities, undertaken with the prospect of enhancing software is recognised in profit or loss as an expense as incurred.

Maintenance costs of internally developed software are expensed in profit or loss.

The cost of software purchased from third parties and licensed to customers for use is capitalised.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Other intangible assets

Other intangible assets comprising customer relationships, brand names, and non-compete agreements that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

Transaction and balances

Foreign currency gains and losses are reported on a net basis.

(i) Employee Benefits

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from the employee's services provided to reporting date. The amounts are undiscounted and based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and superannuation. Non-accumulating non-monetary benefits, such as cars, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service by the employee, and the obligation can be estimated reliably.

Other long-term employee benefits

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related services is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. 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 end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Equity-settled compensation

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except for those that fail to vest due to market conditions not being met.

When the Company grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investments in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

(j) Provisions

A provision is recognised, if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(l) Revenue and Other Income

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Trade and Other Receivables

Trade and other receivables are measured at the amount receivable less any provisions for doubtful debts. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Borrowing Costs

Borrowing costs that do not relate to qualifying assets are recognised in profit or loss in the period in which they are incurred.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of 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 ATO is included with 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(q) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(s) Rounding of Amounts

The Company is not of a kind referred to in ASIC Class Order 98/100 dated 10 July 1988 so there is no rounding in the directors' report or financial report.

(t) Critical Accounting Estimates and Judgments

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

Key Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty remain the same as those applied in the 2011 financial report.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- (i) Note 13 - Intangible Assets
- (ii) Note 17 - Provisions
- (iii) Note 18 - Issued Capital

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors which makes strategic decisions.

(w) Change in Accounting Policy

The consolidated group has not changed any of its accounting policies during the financial year ended 30 June 2012.

(x) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments (December 2010)* and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

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

- *AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).*

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Group.

- *AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009–11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).*

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees.

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

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

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

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

- *AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).*

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

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

These Standards are not expected to significantly impact the Group.

- *AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).*

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Group.

- *AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).*

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) for an offer that may be withdrawn – when the employee accepts;
- (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 2 Revenue and Other Income

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
(a) Revenue from continuing operations					
Sales revenue					
— provision of services		841,829	868,801	-	-
		841,829	868,801	-	-
Other revenue					
— interest received		267	5,982	29	4,795
		267	5,982	29	4,795
Total revenue		842,096	874,783	29	4,795
Other income					
— other income		540	33,473	-	-
Total other income		540	33,473	-	-
Interest revenue from:					
— other persons		267	5,982	29	4,795
Total interest revenue on financial assets not at fair value through profit or loss		267	5,982	29	4,795

Note 3 Profit for the Year

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:					
(a) Expenses					
Cost of sales		41,244	4,803	-	-
Interest expense on financial liabilities not at fair value through profit or loss:					
— Directors	23	19,478	16,734	-	-
— Related parties	23	3,966	-	-	-
— Other persons		14,068	25,076	-	-
Total finance cost		37,512	41,810	-	-
Occupancy costs		74,015	33,014	-	-
Employee benefits expense					
— defined contribution superannuation expense		31,406	26,419	-	-
Bad and doubtful debts:					
— trade receivables		18,330	60,303	-	-
Total bad and doubtful debts		18,330	60,303	-	-
Loss on disposal of property, plant and equipment		17,396	-	-	-

Note 4 Income Tax Expense

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
(a) The components of tax expense comprise:					
Current tax		(61,310)	(53,679)	(54,438)	(53,679)
Deferred tax	16	(300)	10,378	(300)	(300)
Under provision in respect of prior years		(18,845)	(93,222)	(18,845)	(93,222)
		(80,455)	(136,523)	(73,583)	(147,201)
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:					
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2011: 30%)					
— consolidated group		(62,213)	(35,178)		
— parent entity				(28,407)	(255,509)
Increase/(decreases) in income tax expense due to:					
— non-deductible impairment		-	-	-	228,632
— Non taxable income/deductible expenses		(7,172)	(10,378)	(300)	(300)
— (under)/over provision for income tax in prior year		(18,845)	-	(18,845)	-
— R & D income tax refund		(54,438)	(146,901)	(54,438)	(146,901)
— Tax losses not brought to account		62,213	55,934	28,407	26,876
Income tax attributable to entity		(80,455)	(136,523)	(73,583)	(147,201)

The decrease in the weighted average effective consolidated tax rate for 2012 is a result of the Research & Development claim made in the 30 June 2011 accounts comprised both the 30 June 2010 and 30 June 2011 refunds compared to 2011.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 5 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2012.

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

	2012	2011
	\$	\$
Short-term employee benefits	120,000	96,923
Post-employment benefits	10,800	8,723
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total KMP compensation	130,800	105,646

KMP Options and Rights Holdings

The number of options over ordinary shares held during the financial year by each KMP of the Group is as follows:

	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
30 June 2012								
Mr Anthony Puls	-	-	-	-	-	-	-	-
Mr Paul Niederer	-	-	-	-	-	-	-	-
Ms Susan Williams	-	-	-	-	-	-	-	-
Mr Peter Stirling	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
30 June 2011								
Mr Anthony Puls	-	-	-	-	-	-	-	-
Mr Paul Niederer	-	-	-	-	-	-	-	-
Ms Susan Williams	-	-	-	-	-	-	-	-
Mr Peter Stirling	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

KMP Shareholdings

The number of ordinary shares in Australian Small Scale Offerings Board Limited held by each KMP of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2012					
Mr Anthony Puls	49,642,800	-	-	-	49,642,800
Mr Paul Niederer	401,333	-	-	-	401,333
Ms Susan Williams	43,333	-	-	-	43,333
Mr Peter Stirling	47,995,110	-	-	-	47,995,110
	98,082,576	-	-	-	98,082,576
	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2011					
Mr Anthony Puls	49,642,800	-	-	-	49,642,800
Mr Paul Niederer	401,333	-	-	-	401,333
Ms Susan Williams	43,333	-	-	-	43,333
Mr Peter Stirling	47,995,110	-	-	-	47,995,110
	98,082,576	-	-	-	98,082,576

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

For details of other transactions with KMP, refer to Note 23: Related Party Transactions.

For details of loans to KMP, refer to Note 23: Related Party Transactions.

Note 6 Auditors' Remuneration

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Remuneration of the auditor for:				
— auditing or reviewing the financial report	14,000	13,000	14,000	13,000
— taxation services	-	-	-	-
	14,000	13,000	14,000	13,000

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 7 Earnings per Share

	Consolidated Group	
	2012	2011
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Profit	(126,920)	19,264
Earnings used to calculate basic EPS	(126,920)	19,264
Earnings used in the calculation of dilutive EPS	(126,920)	19,264
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	140,678,898	140,678,898
Weighted average number of dilutive options outstanding	-	-
Weighted average number of dilutive converting preference shares on issue	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	140,678,898	140,678,898
(c) Diluted earnings per share is not reflected as there are no potential ordinary shares.		
(d) Anti-dilutive options on issue not used in dilutive EPS calculations.	-	-

Note 8 Cash and Cash Equivalents

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
Cash at bank and on hand		30,869	41,520	-	-
Short-term bank deposits		-	-	-	-
	24	30,869	41,520	-	-

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	30,869	41,520	-	-
	30,869	41,520	-	-

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 15 for further details.

Note 9 Trade and Other Receivables

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
CURRENT					
Trade receivables		31,990	20,478	-	-
Provision for impairment		-	-	-	-
		31,990	20,478	-	-
Amounts receivable from related parties					
— Income Tax Receivable		54,438	53,679	28,951	53,679
Total current trade and other receivables		86,428	74,157	28,951	53,679

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The carrying amount of the Group's financial assets represents the maximum credit exposure.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated Group	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2012							
Trade and term receivables	31,990	-	6,412	2,500	1,100	21,978	6,412
Other receivables	54,438	-	54,438	-	-	-	N/A
Total	86,428	-	60,850	2,500	1,100	21,978	6,412

Consolidated Group	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2011							
Trade and term receivables	20,478	-	3,812	-	-	16,666	3,812
Other receivables	53,679	-	53,679	-	-	-	N/A
Total	74,157	-	57,491	-	-	16,666	3,812

Parent Entity	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2012							
Trade and term receivables	-	-	-	-	-	-	-
Other receivables	54,438	-	54,438	-	-	-	N/A
Total	54,438	-	54,438	-	-	-	-

Parent Entity	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2011							
Trade and term receivables	-	-	-	-	-	-	-
Other receivables	53,679	-	53,679	-	-	-	N/A
Total	53,679	-	53,679	-	-	-	-

	Note	Consolidated Group		Parent Entity	
		2012 \$	2011 \$	2012 \$	2011 \$
(a) Financial Assets Classified as Loans and Receivables					
Trade and other Receivables					
— Total current		86,428	74,157	28,951	53,679
— Total non-current		-	-	-	-
		86,428	74,157	28,951	53,679
Less construction contracts in progress					
Financial assets	24	86,428	74,157	28,951	53,679

- (b) **Collateral Pledged**
The Group does not require collateral in respect of financial assets.

Note 10 Other Financial Assets

	Note	Consolidated Group		Parent Entity	
		2012 \$	2011 \$	2012 \$	2011 \$
(a) Other investments					
NON CURRENT					
Shares in subsidiaries		-	-	100	100
Shares in associates		-	-	-	-
Shares in joint venture entities		-	-	-	-
		-	-	100	100

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 11 Controlled Entities

(a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2012	2011
Subsidiaries of Australian Small Scale Offerings Board Limited :			
ASSOB Pty Ltd	Australia	100.00	100.00
Springboard Equity Pty Ltd	Australia	100.00	100.00
Unlisted Services Pty Ltd	Australia	100.00	100.00
ASSOB Custodian Pty Ltd	Australia	100.00	100.00

* Percentage of voting power is in proportion to ownership

(b) Acquisition of Controlled Entities

There were no acquisitions of controlled entities and businesses during the year or the preceding year

(c) Disposal of Controlled Entities

There were no disposals of controlled entities and businesses during the year or the preceding year

(d) Controlled Entities with Ownership Interest of 50% or Less

The parent entity does not control any entities or businesses with an ownership interest of 50% or less

Note 12 Property, Plant and Equipment

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
PLANT AND EQUIPMENT				
Plant and equipment:				
At cost	125,278	138,651	-	-
Accumulated depreciation	(73,268)	(76,293)	-	-
Accumulated impairment losses	-	-	-	-
	<u>52,010</u>	<u>62,358</u>	<u>-</u>	<u>-</u>
Total plant and equipment	<u>52,010</u>	<u>62,358</u>	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>52,010</u>	<u>62,358</u>	<u>-</u>	<u>-</u>

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment	Total
	\$	\$
Consolidated Group:		
Balance at 1 July 2010	142,924	142,924
Additions	2,533	2,533
Disposals	(6,806)	(6,806)
Depreciation expense	(14,470)	(14,470)
Capitalised borrowing costs and depreciation	(61,823)	(61,823)
Balance at 30 June 2011	<u>62,358</u>	<u>62,358</u>
Additions	22,268	22,268
Disposals	(17,514)	(17,514)
Depreciation expense	(15,102)	(15,102)
Balance at 30 June 2012	<u>52,010</u>	<u>52,010</u>

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 13 Intangible Assets

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Goodwill				
Cost	3,202,448	3,202,448	-	-
Accumulated impaired losses	(3,202,448)	(3,202,448)	-	-
Net carrying amount	-	-	-	-
Website at cost	169,217	142,163	-	-
Accumulated amortisation	(71,382)	(47,718)	-	-
Net carrying amount	97,835	94,445	-	-
Formation Costs	1,781	-	-	-
Accumulated amortisation	(356)	-	-	-
Net carrying amount	1,425	-	-	-
Total intangibles	99,260	94,445	-	-

Consolidated Group:

	Goodwill	Website at Cost	Formation Costs	Total
	\$	\$	\$	\$
Year ended 30 June 2011				
Balance at the beginning of year	-	118,781	-	118,781
Additions	-	23,382	-	23,382
Disposals	-	-	-	-
Amortisation charge	-	(47,718)	-	(47,718)
Impairment losses	-	-	-	-
	-	94,445	-	94,445
Year ended 30 June 2012				
Balance at the beginning of year	-	94,445	-	94,445
Additions	-	27,054	1,781	28,835
Amortisation charge	-	(23,664)	(356)	(24,020)
Impairment losses	-	-	-	-
Closing value at 30 June 2012	-	97,835	1,425	99,260

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income. Goodwill has an indefinite useful life.

Note 14 Trade and Other Payables

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
CURRENT					
Unsecured liabilities					
Trade payables		94,513	75,637	14,000	13,000
Interest bearing liabilities		18,048			
Sundry payables and accrued expenses		40,559	14,860	-	-
		153,120	90,497	14,000	13,000
Non-current					
(a) Financial liabilities at amortised cost classified as trade and other payables					
Trade and other payables					
— Total current		153,120	90,497	14,000	13,000
— Total non-current		-	-	-	-
		153,120	90,497	14,000	13,000
Less construction contract advances and payables					
Less annual leave entitlements					
Financial liabilities as trade and other payables	24	153,120	90,497	14,000	13,000

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 15 Borrowings

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
CURRENT					
Secured liabilities					
Loans from current and former shareholders		35,000	-	-	-
		35,000	-	-	-
Total current borrowings		35,000	-	-	-
NON-CURRENT					
Unsecured liabilities					
Loans from controlled entities		-	-	577,975	556,809
Secured liabilities					
Loans from current and former shareholders	(a)	304,699	304,699	-	-
Other non-current loans		149,303	149,303	-	-
		454,002	454,002	577,975	556,809
Total non-current borrowings		454,002	454,002	577,975	556,809
Total borrowings	24	489,002	454,002	577,975	556,809

The loans from current and former shareholders have been secured by a charge over the company's assets, attract interest at 10% p.a. and are repayable in (a) 2015.

Note 16 Tax

	Consolidated Group		Parent Entity		
	2012	2011	2012	2011	
	\$	\$	\$	\$	
CURRENT					
Income tax payable	-	-	-	-	
	-	-	-	-	
	-	-	-	-	
NON-CURRENT					
Consolidated Group	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rate	Closing Balance
	\$	\$	\$	\$	\$
Deferred tax assets					
Provisions	13,480	-	-	-	13,480
- impairment	(8,983)	-	-	-	(8,983)
Other					-
Tax bases without an asset carrying amount	40,252	-	-	-	40,252
Balance at 30 June 2011	44,749	-	-	-	44,749
Provisions	13,480	-	24,697	-	38,177
Property, plant and equipment					
- impairment	(8,983)	-	8,983	-	-
Other					-
Tax bases without an asset carrying amount	40,252	-	(40,252)	-	-
Balance at 30 June 2012	44,749	-	(6,572)	-	38,177
	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rate	Closing Balance
	\$	\$	\$	\$	\$
Parent Entity					
Deferred tax assets					
Provisions	3,900	-	-	-	3,900
Other					-
Balance as at 30 June 2011	3,900	-	-	-	3,900
Provisions	3,900	-	300	-	4,200
Other					-
Balance as at 30 June 2012	3,900	-	300	-	4,200

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 17 Provisions for Employee Benefits

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
CURRENT				
Short-term Employee Benefits (Annual leave)				
Opening balance at 1 July 2011	36,250	8,945	-	-
Additional provisions	23,937	33,053	-	-
Amounts used	(4,049)	(5,748)	-	-
Unused amounts reversed	-	-	-	-
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-
Balance at 30 June 2012	56,139	36,250	-	-

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
NON CURRENT				
Long-term Employee Benefits (Long service leave)				
Opening balance at 1 July 2011	3,612	663	-	-
Additional provisions	3,138	2,949	-	-
Amounts used	-	-	-	-
Unused amounts reversed	-	-	-	-
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-
Balance at 30 June 2012	6,750	3,612	-	-
Total	6,750	3,612	-	-

Analysis of Total Provisions

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Current	56,139	36,250	-	-
Non-current	6,750	3,612	-	-
	62,889	39,862	-	-

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(p).

Note 18 Issued Capital

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Fully paid ordinary shares	15,292,480	15,292,480	15,292,480	15,292,480
	15,292,480	15,292,480	15,292,480	15,292,480

The company has authorised share capital amounting to 15,292,480 ordinary shares.

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	No.	No.	No.	No.
(a) Ordinary Shares				
At the beginning of the reporting period	140,678,948	140,678,948	140,678,948	140,678,948
Shares issued during the year	-	-	-	-
Shares bought back during year	-	-	-	-
At the end of the reporting period	140,678,948	140,678,948	140,678,948	140,678,948

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

(b) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The gearing ratios for the year ended 2011 and 2012 are as follows:

		Consolidated Group		Parent Entity	
		2012	2011	2012	2011
	Note	\$	\$	\$	\$
Total borrowings	14, 15	642,122	544,499	591,975	569,809
Less cash and cash equivalents	8	(30,869)	(41,520)	-	-
Net debt		611,253	502,979	591,975	569,809
Total equity		(372,059)	(245,239)	(558,724)	(512,130)
Total capital		239,194	257,740	33,251	57,679
Gearing ratio		256%	195%	1780%	988%

Note 19 Contingent Liabilities and Contingent Assets

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:				
Contingent Liabilities				
Dispute with ex-landlord				
The contingent liability regarding the dispute with the ex-landlord, as disclosed in the group's 2011 financial report, has subsequently ceased to exist as at 30 June 2012.	-	-	-	-

Note 20 Operating Segments

(a) Description of segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board of Directors which is at the consolidated entity level. Accordingly, the consolidated entity is treated as one operating segment.

Therefore, management identified the group as having only one reportable segment. The financial results from this reportable segment are equivalent to the financial statements of the consolidated entity as a whole. There have been no changes in the operating segments during the year.

(b) Basis of accounting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors which makes strategic decisions.

(b) Entity-wide disclosures

The group derives revenue from services and interest from Australia, the entity's country of domicile.

The group's non-current assets are all held in Australia.

The group has no major customer

Note 21 Cash Flow Information

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax				
Profit after income tax	(126,920)	19,264	(21,107)	(704,494)
Non-cash flows in profit				
Amortisation	356	-	-	-
Depreciation	38,884	39,061	-	-
Impairment loss	-	-	-	762,108
Changes in assets and liabilities:				
(Increase)/decrease in trade and term receivables	(12,859)	(796)	24,728	47,230
Increase/(decrease) in trade payables and accruals	30,617	(53,427)	-	-
Increase/(decrease) in other payables and accruals	29,622	(87,633)	1,000	1,000
Increase/(decrease) in income taxes payable	-	-	-	-
(Increase)/decrease in deferred taxes receivable	6,572	9,838	(300)	(300)
Increase/(decrease) in provisions	26,099	(8,473)	-	-
Cash flow from operations	(7,629)	(82,166)	4,321	105,544

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Note 22 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 23 Related Party Transactions

(a) The Group's main related parties are as follows:

i. Entities exercising control over the Group:

The ultimate parent entity that exercises control over the Group is Australian Small Scale Offerings Board Limited which is incorporated in Australia.

ii. Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5: Interests of Key Management Personnel Compensation.

iii. Entities subject to significant influence by the Group:

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iv. Joint Venture Entities that are accounted for under the equity method:

The group does not have any interest in a joint venture entity.

v. Other Related Parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

(b) Amounts payable to related parties

Trade and Other Payables

Secured loans provided by key management personnel and other related parties on an arm's length basis. Interest is charged at 10% and is payable monthly.

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
i. Loans from Other Key Management Personnel Related Entities				
Beginning of the year	304,698	261,009		
Loans advanced	35,000	54,554		
Loan repayment received	-	(10,865)		
Interest charged	19,478	16,734		
Interest received	(19,478)	(16,734)		
End of the year	339,698	304,698	-	-
ii. Loans from Other Related Parties				
Beginning of the year	149,303	154,303		
Loans advanced	-	-		
Loan repayment received	-	(5,000)		
Interest charged	3,966	17,269		
Interest received	(3,966)	(17,269)		
End of the year	149,303	149,303	-	-

Note 24 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group		Parent Entity	
		2012	2011	2012	2011
	Note	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	8	30,869	41,520	-	-
Trade and other receivables	9a	86,428	74,157	28,951	53,679
Total Financial Assets		117,297	115,677	28,951	53,679
Financial Liabilities					
Financial liabilities at amortised cost					
— Trade and other payables	14	153,120	90,497	14,000	13,000
— Borrowings	15	489,002	454,002	577,975	556,809
Total Financial Liabilities		642,122	544,499	591,975	569,809

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Financial Risk Management Policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and Group's activities. The Company and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Company's and Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Company and Group.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. For the Company it arises from receivables due from subsidiaries.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those " & " financial assets (net of any provisions) as presented in the statement of financial position. The Company's and Group's exposure to credit risk is influenced by the characteristics of each customer and the industry in which the customers operate.

Collateral held by the Group securing receivables is detailed in Note 9(d).

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographic basis, the Group's credit risk is concentrated in Australia. Details with respect to credit risk of Trade and Other Receivables is provided in Note 9.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 9.

b. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors cash flow requirements from its businesses to optimise its return on cash. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year	1 to 3 years	Over 3 years	Total contractual cash flows	Carrying Amount (assets)/liabilities
Consolidated Group	\$	\$	\$	\$	\$
Financial liabilities due for payment 2012					
Trade and other payables	202,509	-	-	202,509	202,509
Borrowings - principal	35,000	454,002	-	489,002	489,002
Borrowings - interest	3,500	45,400	-	48,900	-
Total	241,009	499,402	-	740,411	691,511

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

Consolidated Group	Within 1 Year	1 to 3 years	Over 3 years	Total contractual cash flows	Carrying Amount (assets)/liabilities
	\$	\$	\$	\$	\$
Financial liabilities due for payment 2011					
Trade and other payables	124,887	-	-	124,887	124,887
Borrowings - principal	-	-	454,002	454,002	454,002
Borrowings - interest	-	-	45,400	45,400	-
Total	124,887	-	499,402	624,289	578,889

c. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. Interest rate risk

The Group does not adopt a policy of hedging its exposure to changes in interest rates.

ii. Currency risk

The group is not exposed to currency risk.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments, which are carried at amortised cost (ie term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Group.

	Footnote	2012		2011	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	30,869	30,869	41,520	41,520
Trade and other receivables	(i)	31,990	31,990	20,478	20,478
Term receivables	(ii)	-	-	-	-
Loans and advances - related parties	(iii)	54,438	28,951	53,679	53,679
Total financial assets		117,297	91,810	115,677	115,677
Financial liabilities					
Trade and other payables	(i)	153,120	153,120	90,497	90,497
Borrowings	(vii)	489,002	489,002	454,002	454,002
Total financial liabilities		642,122	642,122	544,499	544,499

	Footnote	2012		2011	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
Parent Entity		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	-	-	-	-
Trade and other receivables	(i)	-	-	-	-
Loans and advances - related parties	(iii)	28,951	28,951	53,679	53,679
Total financial assets		28,951	28,951	53,679	53,679
Financial liabilities					
Trade and other payables	(i)	14,000	-	13,000	-
Debentures	(vii)	-	-	-	-
Bills of exchange and promissory notes	(vii)	-	-	-	-
Preference shares	(viii)	-	-	-	-
Bank debt	(viii)	-	-	-	-
Total financial liabilities		14,000	-	13,000	-

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.
- (ii) Term receivables generally reprice to a market interest rate every six months, and fair value therefore approximates carrying amount.
- (iii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at the end of the reporting period for similar types of loans and advances. Differences between fair values and carrying amounts largely represent movements in the effective interest rate determined on initial recognition and current market rates.
- (iv) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (v) Fair values of held-to-maturity investments are based on closing quoted bid prices at the end of the reporting period.
- (vi) Quoted bid prices at the end of the reporting period are used as well as valuation techniques incorporating observable market data relevant to the hedged position.
- (vii) Discounted cash flow models are used that incorporate a yield curve appropriate to the remaining maturity of the debenture, bill or promissory note.
- (viii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will differ to the carrying amounts.

Note25 Company Details

The registered office of the company is:

Australian Small Scale Offerings Board Limited
Suite 14 Riverwalk Place
2 Waterfront Place
Robina QLD 4226

The principal places of business are:

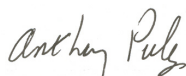
Australian Small Scale Offerings Board Limited
Suite 14 Riverwalk Place
2 Waterfront Place
Robina QLD 4226

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Australian Small Scale Offerings Board Limited , the directors of the company declare that:

1. the financial statements and notes, as set out on pages 12 to 34, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' 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;
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Director



Mr Anthony Puls

Dated this 18th day of September 2012



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Australian Small Scale Offerings Board Limited which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company and 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, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Small Scale Offerings Board Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.



Auditor's Opinion

In our opinion:

- a. the financial report of Australian Small Scale Offerings Board Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion express above, we draw attention to Note 1 to the financial statements, which discloses that the consolidated entity, as at 30 June 2012 had a net assets deficit of \$372,059 (2011: \$245,239) and net current liability of \$126,962 (2011: net current asset of \$10,823). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern, and therefore whether the consolidated entity may realise its assets and extinguish its liabilities other than in the ordinary course of business and in amount different from those stated in the financial statements.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Australian Small Scale Offerings Board Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

ROTHSAY CHARTERED ACCOUNTANTS



FRANK VRACHAS

Level 1, 12 O'Connell Street, SYDNEY NSW 2000

Dated this 28th day of September 2012

NSX Additional information

Additional information required by the National Stock Exchange of Australia Listing Rules and not disclosed elsewhere.

Shareholdings (as at 15 August 2012)

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number
Mr Anthony Franz Lucien Puls & Ms Paulette Susan Kulak	49,642,800
Mr Peter Stirling & Mrs Rosalind Stirling	47,995,110
ABIL Holdings Ltd	17,402,290

Security Classes

Fully Paid Ordinary Shares

Holdings Ranges	Holders	Total Units	%
1 – 1,000	12	12,000	0.009
1,001 – 5,000	26	73,692	0.052
5,001 – 10,000	6	52,769	0.037
10,001 – 100,000	55	2,903,620	2.058
100,001-99,999,999,999	72	138,057,893	97.844
	171	141,100,001	100.000

Options

There are no options

Warrants

There are no warrants

Holders of less than marketable parcels

At 15 August 2012 there were 55 holders holding less than a marketable parcel.

Restricted securities

There are no restricted securities on issue.

Unquoted securities

There are no unquoted securities on issue.

Securities Exchange

The Company is listed on the National Stock Exchange of Australia. The home exchange is Newcastle.

Other information

Australian Small Scale Offerings Board Ltd, incorporated and domiciled on Australia, is a publicly listed Company limited by shares.

NSX Additional information (continued)

Ten largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
Mr Anthony Franz Lucien Puls & Ms Paulette Susan Kulak	49,642,800	35.183
Mr Peter Stirling & Mrs Rosalind Stirling	47,995,110	34.015
ABIL Holdings Ltd	17,402,290	12.333
Red Water Dragon Pty Ltd	2,562,493	1.816
Mrs Geraldine Mary Golding	2,129,245	1.509
Mr David William Spain	1,621,053	1.149
Mariapillai Pathmanaban	1,261,290	0.894
Ryhat Establishment	875,000	0.620
Xiao Bo Zhou	874,000	0.619
Xiong Zhao	850,000	0.602
	<hr/> 125,213,281	<hr/> 88.740

Offices and officers

Company Secretary

Ms Susan Williams

Registered Office

Australian Small Scale Offerings Board Limited

Suite 14 Riverwalk Place

2 Waterfront Place

Robina QLD 4226

Telephone: 1300 722 954

Facsimile: 1300 722 593

Email: info@assob.com.au

Web: www.assob.com.au

Location of Share Registry

Boardroom Pty Limited

Level 7, 207 Kent Street

Sydney NSW 2000

Telephone: 1300 737 760, International: +61 2 9290 9600

Facsimile: 1300 653 459, International: +61 2 9279 0664

Email: enquiries@boardroomlimited.com.au

Web: www.boardroomlimited.com.au