



Australian Property Systems Limited

ABN 93 096 925 610

Annual Report

30 June 2012

AUSTRALIAN PROPERTY SYSTEMS LIMITED
CORPORATE DIRECTORY AND INFORMATION

Directors	Geoff Thomas Stephen Jones James Whitelaw
Company secretary	James Whitelaw
Registered office	Level 22, 333 Ann St Brisbane QLD 4000 Telephone: (07) 3234 8988
Share register	HMW Partners Level 22, 333 Ann St Brisbane QLD 4000 Telephone: (07) 3234 8988
Auditor	Pitcher Partners (formerly Johnston Rorke) Chartered Accountants Level 30, Central Plaza One 345 Queen Street Brisbane QLD 4000
Bankers	Westpac Banking Corporation 260 Queen Street Brisbane QLD 4000 National Australia Bank 308-322 Queen St Brisbane QLD 4000
Stock exchange listing	National Stock Exchange of Australia Level 2, 117 Scott St Newcastle NSW 2300 Note: <i>Listing currently under suspension</i>

AUSTRALIAN PROPERTY SYSTEMS LIMITED

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entities ("the consolidated entity" or "the Group") for the financial year ended 30 June 2012.

1. Directors

The names and details of the company's directors in office during the year and until the date of this report are as follows:

Geoff Thomas
Stephen Jones
James Whitelaw

Information on Directors

Information on directors at the date of this report:

Geoff Thomas *Executive Chairman*

Mr Geoff Thomas through his entity Presidential Capital Pty Ltd is one of APSL's largest shareholders. Mr Thomas is the former owner of Capitalcorp Finance & Leasing.

Stephen Jones *Non-Executive Director*

Mr Stephen Jones, is a former property partner of one of Brisbane's largest legal firms, McCullough Robertson.

James Whitelaw *Non-Executive Director and Company Secretary*

Mr Whitelaw is a member of the Institute of Chartered Accountants and partner of HMW Partners.

2. Principal Activities

The principal activity of the consolidated entity during the financial year was seeking opportunities for the company's development management system. The system allows the consolidated entity to either licence its system or project manage developments under the system.

3. Dividends

No dividends have been paid or declared during the year or since the end of the financial year.

AUSTRALIAN PROPERTY SYSTEMS LIMITED

DIRECTORS' REPORT

4. Review of Operations

The consolidated entity recorded a net loss for the year of \$249,072 (2011: profit of \$4,839). During the year the company did not derive any income and the expenses incurred primarily relates to the costs associated with management and administration of the company as well as expenses related to prior unsuccessful capital raisings.

Since balance date there has been no revenue and expenses have been kept to a minimum.

The directors sent out a letter to the shareholders on 14 June 2012 outlining the current position of the company and the proposed course of action in relation to a potential rights issue to raise new equity. The directors are reviewing their position in relation to the potential rights issue and will be releasing information to the shareholders once the proposal has been finalised.

Notwithstanding the losses to date, the directors believe the consolidated entity is a going concern and able to pay its debts as and when they become due and on the basis:

- excess cash following receipt of the \$420,000 loan of approximately \$143,981 is sufficient to fund ongoing expenses until the rights issue;
- the consolidated entity's current liabilities are not large – being \$64,744 at 30 June 2012;
- the consolidated entity's level of expenditure has been reduced;
- management is currently reviewing the proposed rights issue which will be sufficient to fund the ongoing operations in the short term; and
- the loan provided by Presidential Capital Pty Ltd of \$420,000 is not expected to be called upon for repayment within 12 months other than under the repayment terms .

5. Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year.

6. Subsequent Events

Except for those matters set out in note 22 of the financial statements, no other matter or circumstance has arisen since 30 June 2012 that has significantly affected, or may significantly affect the Group operations in future financial years, or results of those operations in future financial years, or the state of affairs in future financial years.

7. Likely Developments and Expected Results of Operations

The directors intend to undertake a capital raising by way rights issue to raise of the order of \$920,000 with a minimum subscription of the order of \$800,000 (assuming immediate repayment in full of the loan provided by Presidential Capital Pty Ltd) and otherwise (if this is extended and repaid out of Cashflow at a later date) \$500,000. These funds are used to fund the ongoing operations of the Group in the short term while the directors investigate the business potential of the Group's property development system.

8. Environmental Regulation

The directors are not aware of any particular and significant environmental regulation under a law of the Commonwealth, State or Territory relevant to the consolidated entity.

9. Directors' Interests

The interests of the current directors in the company at the date of this report are as follows:

	Ordinary Shares	Options
G Thomas	21,250,000	-
S Jones	-	-
J Whitelaw	-	-

AUSTRALIAN PROPERTY SYSTEMS LIMITED

DIRECTORS' REPORT

10. Share Options

Options to purchase ordinary shares of Australian Property Systems Limited have all expired during the financial year.

There was no exercise of options over ordinary shares of Australian Property Systems Limited during the year ended 30 June 2012.

11. Remuneration Report

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

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration

The information provided in this remuneration report has been audited as required by Section 308 (3C) of the Corporations Act 2001.

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

The policy for determining the nature and amount of emoluments of board members and senior executives is as follows:

Executives

The board remuneration policy is to ensure that remuneration packages properly reflect the person's duties, responsibilities and performance and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Non-executive directors

Fees and payments to non-executive directors reflect the financial status of the consolidated entity, and the demands that are made on, and the responsibilities of the directors. Non-executive directors' fees are reviewed annually by the board and are set within the limits approved by shareholders. No retirement benefits are payable to non-executive directors.

Long-term incentives

As a long-term incentive, eligible employees and directors of the company can, from time to time, be invited to apply for redeemable preference shares in APSLSP Pty Ltd** in accordance with the terms and conditions of the APSLSP Pty Ltd Share Scheme Deed. This invitation is discretionary and not based on any service or performance criteria. The redeemable preference shares are non-voting and entitle the holders to participate in dividends as declared by the board of APSLSP Pty Ltd. APSLSP Pty Ltd operates for the purpose of providing eligible employees and directors of the company with a means to participate in profits of the company through dividend distributions. The principal activity of APSLSP Pty Ltd is to own issued share capital of the company and derive income through the receipt of dividends from the company.

For the 2012 financial year there was no link between remuneration and the company's performance.

** - During the year, APSLSP Pty Ltd was liquidated and the redeemable preference shares are being held in trust by the Commonwealth of Australia / Australia Investment Securities Corporation for the benefit of eligible employees and directors.

AUSTRALIAN PROPERTY SYSTEMS LIMITED

DIRECTORS' REPORT

11. Remuneration Report (continued)

B. Details of remuneration

Directors

The following persons were directors of Australian Property Systems Limited during the past two financial years:

Geoff Thomas - Executive Chairman (appointed 23 December 2010)
 Stephen Jones - Non-Executive Director (appointed 23 December 2010)
 James Whitelaw - Non-Executive Director/Company Secretary (appointed 23 December 2010)
 John Rivett - Non-Executive Director (appointed 10 August 2010/resigned 23 December 2010)
 Brian Wilkie - Non-Executive Director (resigned 23 December 2010)
 Neil Gibson - Non-Executive Director (appointed 27 November 2009/resigned 23 December 2010)

Details of the nature and amount of remuneration of the directors and the key management personnel of the consolidated entity are:

	Short term benefits Cash salary and fees \$	Long Term Benefits \$	Share based payment Options \$	Total \$
2012				
Directors				
Geoff Thomas	-	-	-	-
Stephen Jones	60,000	-	-	60,000
James Whitelaw	-	-	-	-
Other Key Management Personnel				
David McAdam	57,500	-	-	57,500
	117,500	-	-	117,500
2011				
Directors				
Geoff Thomas	-	-	-	-
Stephen Jones	-	-	-	-
James Whitelaw	-	-	-	-
John Rivett	-	-	-	-
Brian Wilkie	-	-	-	-
Neil Gibson	-	-	-	-
	-	-	-	-

All directors and other key management personnel are engaged by Australian Property Systems Limited.

Share-based payment compensation benefits were not granted in the current or prior year.

No remuneration in 2012 was dependent on the satisfaction of a performance condition.

C. Service Agreements

David McAdam was appointed Chief Executive Officer in February 2012 on a casual basis. He resigned from this position on 1 July 2012.

AUSTRALIAN PROPERTY SYSTEMS LIMITED

DIRECTORS' REPORT

12. Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the company during the financial year are:

Director	Board Meetings	
	A	B
Geoff Thomas	4	4
Stephen Jones	4	4
James Whitelaw	4	4

A – Number of meetings attended during the year

B – Number of meetings held during the time the director held office

There are no committees of the board of directors.

13. Indemnifying Officers or Auditor

The company has agreed to indemnify current and former directors of the company against all liabilities to another person (other than the company or a related body corporate) that may arise from their position as directors of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The nature of the indemnity is that the company will meet the full amount of any such liabilities, including costs and expenses.

The company has not maintained a contract of insurance during the financial year which insures any person who is or has been an officer of the consolidated entity against certain liabilities in respect of their duties as an officer of the consolidated entity.

AUSTRALIAN PROPERTY SYSTEMS LIMITED

DIRECTORS' REPORT

14. Auditor

Pitcher Partners (formerly Johnston Rorke) continues in office in accordance with Section 327 of the Corporations Act 2001.

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

Non-Audit Services

The company may decide to employ Pitcher Partners on assignments additional to its statutory duties where the auditor's expertise and experience with the company and/or the consolidated entity are important.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 as none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

There were no fees paid or payable to the auditor for non-audit services in the 2011 and 2012 financial years.

This report is made in accordance with a resolution of the board of directors.



Stephen Jones

Director

Dated this 6th day of February 2013



PITCHER PARTNERS

ACCOUNTANTS • AUDITORS • ADVISORS

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Brisbane
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independent firms
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ROSS WALKER
KEN OGDEN
NIGEL FISCHER
TERESA HOOPER
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PETER CAMENZULI
JASON EVANS
CHRIS BALL
IAN JONES
KYLIE LAMPRECHT
NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS

The Directors
Australian Property Systems Limited
Level 2
333 Ann Street
BRISBANE QLD 4000

Auditor's Independence Declaration

As lead auditor for the audit of Australian Property Systems Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Property Systems Limited and the entities it controlled during the period.

PITCHER PARTNERS
CHARTERED ACCOUNTANTS

N. BATTERS
Partner

Brisbane, Queensland
6 February 2013

AUSTRALIAN PROPERTY SYSTEMS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Consolidated 2012 \$	2011 \$
Expenses			
Employee benefits expense		117,500	-
Consulting and other professional fees		66,560	56,518
Licensing fees		5,409	-
Audit fees		10,000	5,000
Finance costs		19,467	6
Other expenses		30,136	15,297
		<u>249,072</u>	<u>76,821</u>
Profit/(loss) before income tax	4	(249,072)	4,839
Income tax expense	5	-	-
Profit/(loss) for the year		<u>(249,072)</u>	<u>4,839</u>
Other comprehensive (loss) for the year		-	-
Total comprehensive income/(loss) for the year		<u>(249,072)</u>	<u>4,839</u>
Total comprehensive income/(loss) for the year is attributable to:			
Owners of the parent		(249,072)	4,839
Non-controlling interest		-	-
		<u>(249,072)</u>	<u>4,839</u>
		Cents	Cents
Basic and diluted earnings/(loss) per share	20	(0.48)	0.01

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

AUSTRALIAN PROPERTY SYSTEMS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2012

	Notes	Consolidated 2012 \$	2011 \$
Current Assets			
Cash and cash equivalents	6	133,508	14,296
Trade and other receivables	7	10,473	2,126
Total current assets		143,981	16,422
Total assets		143,981	16,422
Current Liabilities			
Trade and other payables	10	64,744	108,113
Borrowings	11	420,000	-
Total current liabilities		484,744	108,113
Total liabilities		484,744	108,113
Net liabilities		(340,763)	(91,691)
Equity			
Contributed equity	12	3,381,000	3,381,000
Reserves	13	403,723	403,723
Accumulated losses	14	(4,125,486)	(3,876,414)
Parent entity interest		(340,763)	(91,691)
Non-controlling interest		-	-
Total deficiency		(340,763)	(91,691)

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

Consolidated	Contributed equity \$	Share-based payments reserve \$	Accumulated losses \$	Non- controlling interest \$	Total \$
Balance at 30 June 2010	3,381,000	403,723	(3,881,253)	-	(96,530)
Profit for the year	-	-	4,839	-	4,839
Balance at 30 June 2011	3,381,000	403,723	(3,876,414)	-	(91,691)
Loss for the year	-	-	(249,072)	-	(249,072)
Balance at 30 June 2012	3,381,000	403,723	(4,125,486)	-	(340,763)

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

AUSTRALIAN PROPERTY SYSTEMS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
Cash Flows From Operating Activities			
R&D tax concession		-	81,603
Payments to suppliers and employees		(300,788)	(85,871)
Interest received		-	57
Finance costs		-	(6)
Net cash outflows from operating activities	19	(300,788)	(4,217)
Cash Flows From Investing Activities		-	-
Cash Flows From Financing Activities			
Proceeds from borrowings		458,887	-
Repayment of borrowings		(38,887)	-
Net cash flows from financing activities		420,000	-
Net decrease in cash and cash equivalents held		119,212	(4,217)
Cash and cash equivalents at the beginning of the financial year		14,296	18,513
Cash and cash equivalents at the end of the financial year	6	133,508	14,296

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

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements relate to the consolidated entity consisting of Australian Property Systems Limited and its subsidiaries. Separate financial statements of Australian Property Systems Limited as an individual entity are no longer presented as a consequence of a change to the *Corporations Act 2001*. Limited financial information for the parent entity, however, is disclosed in note 23. It has been prepared on the same basis as the consolidated financial statements, as set out below.

(a) Basis of preparation

This general purpose financial report for the financial year ended 30 June 2012 has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. Australian Property Systems Limited is a for-profit entity for the purpose of preparing financial statements.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Australian Property Systems Limited comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian Property Systems Limited ("company" or "parent entity") as at 30 June 2012 and the results of all subsidiaries for the year then ended. Australian Property Systems Limited and its subsidiaries together are referred to in the financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(g)).

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statements of comprehensive income, statement of changes in equity and balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Australian Property Systems Limited.

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Australian Property Systems Limited.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) 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, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. As the group has only one segment, there are no reportable segments.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, duties and taxes paid.

Consulting fees are recognised as revenue as the services are provided.

Interest revenue is recognised on a time proportional basis that takes into account the effective yield on the financial asset.

Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(e) Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(f) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in liabilities. Each lease payment is allocated between the liability and finance costs. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the estimated useful life of the asset. Where there is no reasonable certainty that the lessee will obtain ownership, the asset is depreciated over the shorter of the lease term and the asset's useful life.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the lease term.

(g) Business combinations

The acquisition method of accounting is used to account for all business combinations, excluding business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(h) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the profit or loss.

(k) Investments and other financial assets

The Group is required to classify its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The Group has no financial assets at fair value through profit or loss, held to maturity or available-for-sale financial assets.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(k) Investments and other financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans to subsidiaries are classified as non-current assets when it is expected that the loans will not be repaid within 12 months from the balance sheet date.

Loans and receivables are carried at amortised cost using the effective interest rate method.

(l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(m) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation of assets is calculated on a diminishing value or straight line method to allocate their cost, net of their residual values, over their estimated useful lives. The depreciation rates used for each class of depreciable asset are:

<i>Class</i>	
Plant and equipment	7.5%-37.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

(n) Intangible assets

Costs incurred in developing products or systems and costs incurred in acquiring software licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include direct costs of materials and service, direct payroll and payroll related costs of employees time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(p) Borrowings (continued)

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

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

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 service 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.

(iii) Superannuation

The Group makes contributions to defined contribution superannuation funds. Contributions are recognised as an expense as they become payable.

(iv) Share-based payments

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(v) Bonus plans

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(r) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from total equity. In the company's financial statements, the transactions of the Employee Share Scheme (APSLSP Pty Ltd) are treated as being executed directly by the company. Accordingly, shares held by APSLSP Pty Ltd are recognised as treasury shares and deducted from equity.

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) Diluted earnings per share

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

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the financial year but not distributed at balance date.

(u) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(v) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

(w) New accounting standards and interpretations

Relevant accounting standards and interpretations that have recently been issued or amended but are not yet effective and have not been adopted for the year are as follows:

Standard/Interpretation	Application date of standard	Application date for the Group
AASB 9 <i>Financial Instruments – revised</i> and consequential amendments to other accounting standards resulting from its issue	1 Jan 2015	1 Jul 2015
AASB 10 <i>Consolidated Financial Statements</i>	1 Jan 2013	1 Jul 2013
AASB 11 <i>Joint Arrangements</i>	1 Jan 2013	1 Jul 2013
AASB 12 <i>Disclosure of Interests in Other Entities</i>	1 Jan 2013	1 Jul 2013
AASB 127 <i>Separate Financial Statements - revised</i>	1 Jan 2013	1 Jul 2013
AASB 128 <i>Investments in Associates and Joint Ventures - revised</i>	1 Jan 2013	1 Jul 2013
AASB 13 <i>Fair Value Measurement</i>	1 Jan 2013	1 Jul 2013
AASB 2010-8 <i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets</i>	1 Jan 2012	1 Jul 2012
AASB 2011-4 <i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i>	1 Jul 2013	1 Jul 2013
AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i>	1 Jul 2012	1 Jul 2012
AASB 119 <i>Employee Benefits – revised</i>	1 Jan 2013	1 Jul 2013
AASB 2012-2 <i>Amendments to Australian Accounting Standards – Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	1 Jan 2013	1 Jul 2013
AASB 2012-3 <i>Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</i>	1 Jan 2014	1 Jul 2014
AASB 2012-5 <i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle</i>	1 Jan 2013	1 Jul 2013

The Directors anticipate that the adoption of these Standards and Interpretations in future years may have the following impacts:

AASB 9 – This revised standard provides guidance on the classification and measurement of financial assets, which is the first phase of a multi-phase project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. Under the new guidance, a financial asset is to be measured at amortised cost only if it is held within a business model whose objective is to collect contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are payments solely of principal and interest (on the principal amount outstanding). All other financial assets are to be measured at fair value. Changes in the fair value of investments in equity securities that are not part of a trading activity may be reported directly in equity, but upon realisation those accumulated changes in value are not recycled to the profit or loss. Changes in the fair value of all other financial assets carried at fair value are reported in the profit or loss. The Group is yet to assess the impact of the new standard. In the second phase of the replacement project, the revised standard incorporates amended requirements for the classification and measurement of financial liabilities. The new requirements pertain to liabilities at fair value through profit or loss, whereby the portion of the change in fair value related to changes in the entity's own credit risk is presented in other

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(v) New accounting standards and interpretations (continued)

comprehensive income rather than profit or loss. There will be no impact on the Group's accounting for financial liabilities, as the Group does not have any liabilities at fair value through profit or loss.

AASB 10, AASB 11, AASB 12, AASB 127 and AASB 128 – These new and revised standards are a suite of five standards dealing with consolidation, joint venture arrangements and related disclosures. The main features are –

- AASB 10 – Introduces a new control model and replaces parts of AASB 127 *Consolidated and Separate Financial Statements*. The new model broadens the situations when an entity is considered to be controlled and is likely to lead to more entities being consolidated.
- AASB 11 – Replaces AASB131 *Interests in Joint Ventures* and uses the principle of control from AASB 10 to define joint control. It also removes the option to account for jointly controlled entities using proportionate consolidation.
- AASB 12 – Requires disclosure of information pertaining to an entity's interests in subsidiaries, joint arrangement, associates and structures entities, including significant judgements and assumptions.
- AASB 127 – This amended standard deals only with separate financial statements, with the consolidated financial statement requirements having moved to AASB 10. It carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.
- AASB 128 – Only limited amendments have been made to this standard including accounting for associates and joint ventures held for sale and changes in interests held in associates and joint ventures.

The Group does not expect the new standards to have a significant impact on its composition and the related disclosures.

AASB 13 – The new standard replaces the fair value measurement guidance contained in the various standards. It provides guidance on how to determine fair value by defining fair value and providing a framework for measurement, but does not change when an entity is required to determine fair value. It also expands the disclosures required when fair value is used. The Group is yet to assess whether any of its current measurement techniques will require revision due to the new guidance, however, it is anticipated that disclosures may be more extensive.

AASB 2010-8 – This amendment to AASB 112 *Income Taxes* provides a rebuttable presumption that the recovery of the carrying amount of an investment property carried at fair value in accordance with AASB140 *Investment Property*, will be through sale. As the Group currently does not hold investment property, there will be no impact on any amounts recognised in the financial statements.

AASB 2011-4 – This amendment proposes the removal of individual key management personnel (KMP) disclosure requirements from AASB124. This is to eliminate replication with the *Corporations Act 2001* and achieve consistency with the international equivalent standard. The KMP disclosures will be reduced as a result of these amendments, but there will be no impact on the amounts recognised in the financial statements.

AASB 2011-9 – The amendments affect the presentation of items of other comprehensive income. Accordingly, only the presentation and disclosure of related items in the financial report are expected to be impacted.

AASB 119 – These amendments introduce various modifications including changes to the measurement of defined benefit plans, change in the timing for recognition of termination benefits and amends the definition of short-term and other long-term employee benefits. The Group is yet to assess the impact of these amendments, if any.

AASB 2012-2 and AASB 2012-3 – The amendments to AASB132 clarify when an entity has a legally enforceable right to set-off financial assets and financial liabilities permitting entities to present balances net on the balance sheet. The amendments to AASB 7 increase the disclosure about offset positions, including the gross position and the nature of the arrangements. The Directors have not yet assessed the impact of the amendments, if any.

AASB 2012-5 – These amendments introduce various changes to AASBs. The Directors have not yet assessed the impact of the amendments, if any.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies (continued)

(w) General

This financial report covers both Australian Property Systems Limited as an individual entity (parent entity) and the consolidated entity consisting of Australian Property Systems Limited and its controlled entities.

Australian Property Systems Limited is a public company limited by shares, incorporated and domiciled in Australia. Its principal places of business is:

Level 22
333 Ann Street
Brisbane QLD 4000

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on managing these risks and implementing and monitoring of controls around the cash management function. The Group's principal financial instruments consist of cash and cash equivalents, receivables and payables. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and aging analysis for credit risk.

The Group's management of treasury activities is centralised and governed by policies approved by the Board of directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group has treasury policies in place for deposit transactions for such transactions to be conducted with financial institutions with a strong credit rating.

The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the instruments. At balance date, cash and cash equivalents were held with the Westpac Banking Corporation and National Australia Bank. For trade and other receivables, collateral is not normally obtained.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring that sufficient funds are maintained in cash and cash equivalents.

2012	Within 1 year	Between 1 – 2 years	Between 2 – 5 years	Total contractual cash flows	Carrying amount of liabilities
	\$	\$	\$	\$	\$
Trade and other payables	64,744	-	-	64,744	64,744
Borrowings	84,000	84,000	546,000	714,000	420,000
	148,744	84,000	546,000	778,744	484,744

In 2011 contractual cash flows were due within 3 months of year-end and equated to their carrying values.

Market risk

The Group is not exposed to equity nor commodity price risks. The Group does not have borrowings and therefore the Group's exposure to interest rate risk primarily concerns interest received on cash deposits held at call. The Group is not exposed to foreign exchange risk.

Based on the financial instruments held at 30 June 2012 and 2011, had interest rates weakened/ strengthened by 1% with all other variables held constant, the Group's post-tax result for the year would have shown negligible movements for each of the reporting periods.

Net fair values

The net fair values of financial assets (net of any provision for impairment) and financial liabilities approximate their carrying amounts due to either their short term nature or their terms and conditions including interest receivable/payable at variable rates.

Capital risk management

The Group's and parent entity's objectives when managing capital are primarily to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. Capital is total equity as disclosed in the balance sheet.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

3. Segment information

The Group has one reportable segment being the seeking of opportunities to provide services in respect of property development in Australia.

4. Loss before income tax

	Consolidated	
	2012	2011
	\$	\$
Loss before income tax includes the following specific items:		
<i>Other income</i>		
Research and development tax concession	-	81,603

This amount represents the claim in respect of expenditure incurred in the 2009 financial year for projects which have been registered with Innovation Australia for the development of Affordable Housing Model and PSX transaction based software. The Group has elected to receive this benefit as an immediate cash payment rather than increasing tax losses for a future benefit. The Group recognises the income on lodgement of the tax return with the Australian Taxation Office.

5. Income tax

Reconciliation of income tax expense to prima facie tax payable

Profit/(loss) before income tax expense	(249,072)	4,839
Tax at the Australian tax rate of 30%	(74,722)	1,451
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Research and development tax concession	-	(24,481)
	(74,722)	(23,030)
Deferred tax assets not recognised/(utilised)	74,722	23,030
Income tax expense	-	-

Tax losses

Tax losses and temporary differences for which no deferred tax asset has been recognised	2,316,215	2,067,143
Potential tax benefit @ 30%	694,865	620,143

The temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the deferred tax assets.

A deferred tax asset will be available only if the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the tax losses to be realised, the Group has complied and continues to comply with conditions for deductibility imposed by current tax legislation and there are no adverse changes to such legislation. The conditions for deductibility include a continuity of ownership test and a continuity of business test.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

6. Cash and cash equivalents

	Consolidated 2012 \$	2011 \$
Cash at bank	133,508	14,296

7. Trade and other receivables

Current

Other receivables - GST	10,473	2,126
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Non-current

Loan receivable – other	26,592	26,592
Provision for impairment	(26,592)	(26,592)
	-	-

Current trade and other receivables are generally non-interest bearing and due 30 days from date of recognition.

8. Property, plant and equipment

	Consolidated 2012 \$	2011 \$
Plant and equipment – at cost	69,191	69,191
Accumulated depreciation	(69,191)	(69,191)
	-	-

There was no movement in plant and equipment in the 2011 and 2012 years.

9. Intangible assets

Software development – at cost	284,681	284,681
Provision for impairment	(284,681)	(284,681)
	-	-

Software development costs comprise rewriting the PSX transaction management software to Dot Net language. The completion of this process has been placed on hold since 2009. The work was contracted to external IT developers. At 30 June 2009, the directors decided to fully impair the carrying value of the asset.

The Technology Licence Agreement with Australian Property Systems (No 1) Pty Ltd, an entity associated with former directors, Geoffrey Jamieson and Brian Wilkie, has been terminated and related technology assets acquired by the Group for \$1.00.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

10. Trade and other payables

	Consolidated	
	2012	2011
	\$	\$
Trade payables and accruals	45,277	108,113
Accrued interest – Presidential Capital Pty Ltd	19,467	-
	<u>64,744</u>	<u>108,113</u>

Trade and other payables are non-interest bearing. Their fair value approximates their carrying amount.

Refer Note 11 for details of Accrued interest – Presidential Capital Pty Ltd.

11. Borrowings

	Consolidated	
	2012	2011
	\$	\$
Loan from Presidential Capital Pty Ltd (secured)	<u>420,000</u>	<u>-</u>

In July 2011 the Group received \$50,000 as a loan from Presidential Capital Pty Ltd, an entity associated with Geoff Thomas, a director of the Company. The loan is secured by a fixed charge over the assets of the company. Interest on the \$50,000 loan was payable monthly in advance at a rate of 20% per annum. In May 2012 the Company received a new loan of \$420,000 from Presidential Capital Pty Ltd. It is, similarly, secured by a fixed charge over the assets of the company, with interest will be payable monthly in advance at a rate of 20% per annum. The new loan was used to repay the existing loan from Presidential Capital Pty Ltd and the other trade and other payables and borrowings of the Company. The loan is convertible to ordinary shares at the option of the lender at a price to be determined. This loan will be repayable from monies received from:

- A rights issue or other capital raising;
- Net profits after tax in connection with a business venture;
- Sale of the company's assets;

and then, to the extent not already paid, by 31 December 2015.

Interest of \$19,467 (2011: \$nil) was accrued in relation to these loans.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

12. Contributed equity

	Consolidated 2012 \$	2011 \$
52,099,000 ordinary shares fully paid (2011: 52,099,000)	3,391,740	3,391,740
Treasury shares	(10,740)	(10,740)
	<u>3,381,000</u>	<u>3,381,000</u>

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

Effective 1 July 1998, the corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the parent does not have authorised capital nor par value in respect of its issued shares.

There were no movements in ordinary share capital during the past two financial years.

Options

Unissued ordinary shares of Australian Property Systems Limited under option are as follows:

Date options granted	Expiry date	Exercise price	2012 No. under option	2011 No. under option
3/01/2007	2/01/2012	\$1.00	-	1,000,000
10/05/2007	9/05/2012	\$2.00	-	1,000,000

No option holder has any right under the options to participate in any other share issue of the company or of any other entity. There was no exercise of options over ordinary shares of Australian Property Systems Limited during the year ended 30 June 2012 (2011: nil). Refer to details set out in note 21.

13. Reserves

	Consolidated 2012 \$	2011 \$
Share-based payments reserve	<u>403,723</u>	<u>403,723</u>

The share-based payments reserve is used to recognise the fair value of options issued for goods and services including employee services— see note 21.

There were no movements in the reserve during the 2012 and 2011 financial years.

14. Accumulated losses

	Consolidated 2012 \$	2011 \$
Opening balance	(3,876,414)	(3,881,253)
Net profit/(loss) for the year	(249,072)	4,839
Closing balance	<u>(4,125,486)</u>	<u>(3,876,414)</u>

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

15. Key management personnel disclosures

(a) Key management personnel compensation

	2012	2011
	\$	\$
Short-term employee benefits	117,500	-

(b) Equity instrument disclosures relating to key management personnel

Share holdings

The numbers of ordinary shares in the company held during the financial year by each director of Australian Property Systems Limited and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at the start of year	Other Changes	Balance at appointment/ (resignation) date (if applicable)	Balance at the end of year
2012 Directors				
G Thomas	10,625,000	-	-	10,625,000
S Jones	-	-	-	-
J Whitelaw	-	-	-	-
Other Key Management Personnel				
D McAdam	-	-	-	-
Total	<u>10,625,000</u>	<u>-</u>	<u>-</u>	<u>10,625,000</u>
2011 Directors				
G Thomas	-	-	10,625,000	10,625,000
S Jones	-	-	-	-
J Whitelaw	-	-	-	-
J Rivett	-	-	-	-
B Wilkie	2,008,550	-	(2,008,550)	-
N Gibson	-	-	-	-
Common Entities*	1,388,862	-	(1,388,862)	-
Total	<u>3,397,412</u>	<u>-</u>	<u>7,227,588</u>	<u>10,625,000</u>

* Shares held by entities which are under joint or several control or significant influence of G Jamieson and B Wilkie.

There were no shares granted during the last two financial years as compensation.

(c) Loans to key management personnel

There were no loans to directors of Australian Property Systems Limited or other key management personnel of the Group during the current or previous reporting period.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

15. Key management personnel disclosures (continued)

(d) Other transactions with key management personnel

During 2012, HMW Partners, of which J Whitelaw is a partner, provided accounting services to the company. Fees paid to HMW Partners during the 2012 year were \$42,239 (2011: \$48,079). An amount of \$16,859 (2011: \$48,079) was payable at 30 June 2012, included in trade and other payables.

As disclosed in Note 11, Presidential Capital Pty Ltd, a company associated with Geoffrey Thomas, advanced loans totalling \$420,000 to the company. During the year interest of \$19,467 (2011: \$nil) was accrued in relation to these loans. As at 30 June 2012 amounts outstanding to Presidential Capital Pty Ltd were \$19,467 (2011: \$nil) included in Trade and Other Payables and \$420,000 (2011: \$nil) included in Borrowings.

Additionally during the 2012 year, Presidential Capital Pty Ltd advanced unsecured, non-interest bearing, short-term loan monies of \$38,887 (2011: \$nil). These monies were repaid in full during the year.

16. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity.

	Consolidated	
	2012	2011
	\$	\$
<i>Audit services</i>		
Audit and review of financial reports of the consolidated entity	10,000	5,000

No amounts were paid or payable for other services or to a related practice of the auditor. There were no other auditors of subsidiaries in the Group.

17. Commitments & Contingent Liabilities

At 30 June 2012 the Group had no significant commitments nor contingent liabilities.

18. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Ownership Interest	
		2012	2011
		%	%
Product Services Exchange Pty Ltd	Australia	80	80

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

19. Cash flow information

Reconciliation of profit/(loss) after income tax to net cash outflows from operating activities

	Consolidated	
	2012	2011
	\$	\$
Profit/(loss) for the year	(249,072)	4,839
Changes in operating assets and liabilities		
(Increase)/decrease in:		
Receivables	(8,347)	(2,126)
Increase/(decrease) in:		
Payables	(43,369)	(6,930)
Net cash outflows from operating activities	<u>(300,788)</u>	<u>(4,217)</u>

Finance facilities

As at 30 June 2012, the consolidated entity had no unused finance facilities (2011: \$nil).

20. Earnings per share

	2012	2011
	Cents	Cents
Basic and diluted earnings/(loss) per share	<u>(0.48)</u>	<u>0.01</u>

Reconciliations of earnings used in calculating earnings per share

	\$	\$
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	<u>(249,072)</u>	<u>4,839</u>

Weighted average number of shares used as the denominator

	No.	No.
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	<u>52,099,000</u>	<u>52,099,000</u>

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

21. Share-based payments

Employee share plan

A special purpose entity APSLSP Pty Ltd** was incorporated in August 2002 to operate an Employee Share Scheme ("the Scheme"). In February 2003 the Scheme acquired 1,074,000 ordinary shares in Australian Property Systems Limited at \$0.01 per share.

Eligible employees and directors of the company are invited to apply for redeemable preference shares in APSLSP Pty Ltd in accordance with the terms and conditions of the Scheme. The redeemable preference shares are non-voting and entitle the holders to participate in dividends as declared by the board of APSLSP Pty Ltd.

APSLSP Pty Ltd operates for the purpose of providing eligible employees and directors of the company with a means to participate in profits of the company through dividend distributions. The principal activity of APSLSP Pty Ltd is to own issued share capital of the company and derive income through the receipt of dividends from the company. No dividends have been paid during the last two years.

The shares are to be issued for no consideration and entitle the holder to participate in dividends paid/ payable by APSLSP Pty Ltd (which are based on dividends paid by the parent entity). No dividends have been paid or are payable by APSLSP Pty Ltd during the current or prior year.

Options granted

Grant date	Expiry date	Exercise price	Balance at start of year Number	Expiry during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
2012						
3 Jan 2007	2 Jan 2012	\$1.00	1,000,000	(1,000,000)	-	-
10 May 2007	9 May 2012	\$2.00	1,000,000	(1,000,000)	-	-
2011						
3 Jan 2007	2 Jan 2012	\$1.00	1,000,000	-	1,000,000	1,000,000
10 May 2007	9 May 2012	\$2.00	1,000,000	-	1,000,000	1,000,000
9 Aug 2005	8 Aug 2010	\$0.50	25,000,000	(25,000,000)	-	-

Notes to options granted:

- (i) On 3 January 2007 the company granted 1,000,000 options over ordinary shares to GWR Financial Services Pty Ltd for services rendered in securing the placement of 1,000,000 shares at \$0.25 each. Each option granted was exercisable into one ordinary share in Australian Property Systems Limited for cash. Options granted carry no dividend or voting rights. The options vested upon grant and there were no further vesting conditions. They were exercisable at any time within 5 years of grant. The options expired on 2 January 2012.
- (ii) In May 2007 1,000,000 options were granted as result of the sale of a 20% interest in a subsidiary, Product Services Exchange Pty Ltd (PSX). Each option granted was exercisable into one ordinary share in Australian Property Systems Limited for cash. Options granted carry no dividend or voting rights. The options vested upon grant and there were no further vesting conditions. They were exercisable at any time within 5 years of grant. The options expired on 9 May 2012.

** - During the year, APSLSP Pty Ltd was de-registered. Shares in the company held by it have consequently vested in the Commonwealth of Australia / Australia Investment Securities Commission.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

21. Share-based payments (continued)

(iii) On 9 August 2005, 25,000,000 options were granted to a number of former directors. The options were granted to provide an incentive to turn the company around from its then current losses and achieve a target being a sustainable price above the grant option exercise price of 50 cents. The options vested upon grant date and were exercisable at any time between grant and expiry date. They carried no dividend or voting rights and were issued free of charge. The options expired on 8 August 2010.

The weighted average remaining contractual life of share options outstanding at the end of the year was nil years (2011: 0.68 years).

Fair value of options granted

The fair value at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

No options were granted in the 2011 and 2012 financial years.

Share based payments expense

There was no share based payment expense in the 2011 and 2012 financial years.

22. Ongoing Operations

During the year the consolidated entity resulted in a net loss of \$249,072 (2011: profit of \$4,839).

Since balance date there has been no revenue and expenses have been kept to a minimum.

The directors intend to undertake a capital raising by way of a non-renounceable rights issue. The proceeds are to be used to pay creditors, repay loans and to fund the ongoing operations of the Group in the short term while the directors investigate the business potential of the Group's property development system and associated intellectual property. Notwithstanding the losses to date, the directors believe the consolidated entity is a going concern and able to pay its debts as and when they become due and on the basis:

- excess cash following receipt of the \$420,000 loan of approximately \$143,981 is sufficient to fund ongoing expenses until the rights issue;
- the consolidated entity's current liabilities are not large – being \$64,744 at 30 June 2012;
- the consolidated entity's level of expenditure has been reduced;
- management is currently reviewing the proposed rights issue which will be sufficient to fund the ongoing operations in the short term; and
- the loan provided by Presidential Capital Pty Ltd of \$420,000 is not expected to be called upon for repayment within 12 months other than under the repayment terms .

Given the above, the financial statements have been prepared on a going concern basis, which assumes that the consolidated entity will realise its assets and extinguish its liabilities in the normal course of business. Ongoing operations are dependent upon the matters described previously. Should the consolidated entity not obtain the expected receipts nor be able to generate additional revenues and/or reduce net expenditure as required, there is significant uncertainty that it will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. No adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary, should the consolidated entity not continue as a going concern.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

23. Parent Company Information

Information relating to Australian Property Systems Limited is as follows:

	Parent Entity	
	2012	2011
	\$	\$
(a) Summary financial information		
Statement of financial position		
Current assets	140,693	8,456
Total assets	140,693	8,456
Current liabilities	64,743	94,953
Total liabilities	484,473	94,953
Issued capital	3,381,000	3,381,000
Retained earnings	(4,128,774)	(3,871,220)
Share based payments reserve	403,723	403,723
Total shareholders' equity	<u>(344,049)</u>	<u>(86,497)</u>
Profit or loss of the parent entity	(257,554)	(23,686)
Total comprehensive income of the parent entity	(257,554)	(23,686)
(b) Contingent liabilities of the parent entity		Refer Note 17
(c) Contractual commitments		Refer Note 17

AUSTRALIAN PROPERTY SYSTEMS LIMITED AND CONTROLLED ENTITIES

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2012**

In the directors' opinion:

- (a) the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (ii) 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 financial year ended on that date;
- (b) based on the matters set out in note 22, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) as stated in Note 1, the consolidated financial statements also comply with International Financial Reporting Standards.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2012 required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the board of directors.



Stephen Jones
Director

Dated this 6th day of February 2013



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ACCOUNTANTS • AUDITORS • ADVISORS

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NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS

INDEPENDENT AUDIT REPORT

To the Members of Australian Property Systems Limited

Report on the Financial Report

We have audited the accompanying financial report of Australian Property Systems Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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*.

Basis for Disclaimer of Opinion

As described in note 22 to the financial statements, the ongoing operations of the consolidated entity are dependent upon a successful capital raising. Should the matters set out in note 23 not occur, in the absence of any other arrangements being made, it is highly likely the consolidated entity will not continue as a going concern. We have not been able to obtain sufficient appropriate audit evidence to ensure that a capital raising would be successful and, hence remove the significant doubt of the consolidated entity's ability to continue as a going concern within 12 months of the date of this auditor's report.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in section 11 of 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.

Opinion

In our opinion the Remuneration Report of Australian Property Systems Limited for the year ended 30 June 2012 complies with Section 300A of the *Corporations Act 2001*.

PITCHER PARTNERS
CHARTERED ACCOUNTANTS



NIGEL BATTERS
Partner

Brisbane, Queensland
6 February 2013

AUSTRALIAN PROPERTY SYSTEMS LIMITED

CORPORATE GOVERNANCE STATEMENT

The board has put in place the framework and operational policies for the management of the company ensuring the effective management of internal controls and of risk.

The role of the board

The board carries out its responsibilities according to the following mandate:

- the board should comprise a minimum 3 directors;
- the chairman should, preferably, be a non-executive director;
- the directors should possess a broad range of skills, qualifications and experience;
- the board should meet on a regular basis; and
- all available information in connection with items to be discussed at a meeting of the board shall be provided to each director prior to that meeting.

The primary responsibilities of the board include:

- the approval of the annual, half-year financial reports;
- the establishment of the long term goals of the company and strategic plans to achieve those goals;
- the review and adoption of annual budgets for the financial performance of the company and monitoring the results on a quarterly basis;
- ensuring that the company has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities.

Independent professional advice

With the prior approval of the managing director, each director has the right to seek independent legal and other professional advice at the company's expense concerning any aspect of the company's operations or undertakings in order to fulfil their duties and responsibilities as directors.

Board committees

The board considers that the company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The board as a whole is able to address the governance aspects of the full scope of the company's activities and to ensure that it adheres to appropriate ethical standards.

Risk management

The board is responsible for the company's system of internal controls. The board constantly monitors the operational and financial aspects of the company's activities and considers the recommendations and advice of the auditors and other external advisers on the operational and financial risks that face the company.

The board ensures that recommendations made by the auditors and other external advisers are considered and, where thought necessary, appropriate action is taken to ensure that the company has an effective internal control environment in place to manage the key risks identified.

In addition, the board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties, as well as the employment and training of suitably qualified and experienced personnel.

AUSTRALIAN PROPERTY SYSTEMS LIMITED

CORPORATE GOVERNANCE STATEMENT

Code of conduct

As part of the board's commitment to the highest standard of conduct, APSL adopted a code of conduct to guide executives, management and employees in carrying out their duties and responsibilities. The code of conduct covers such matters as:

- Management of conflict of interest;
- Responsibilities to shareholders;
- Compliance with laws and regulations;
- Relations with customers and suppliers;
- Ethical responsibilities and responsibilities to the environment and the community;
- Employment practices;
- Non audit services.

The board of directors is satisfied that there was no provision of non-audit services by the auditor during the year.

AUSTRALIAN PROPERTY SYSTEMS LIMITED

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 28 October 2012.

(a) Distribution of Shareholders

Category (size of Holding)	Class of equity security	
	Ordinary Shares	Options
1-1,000	-	-
1,001 – 5,000	34	-
5,001 – 10,000	14	-
10,001 – 100,000	51	-
100,001 and over	43	-
	<u>142</u>	<u>-</u>

(b) The number of ordinary shareholdings held in less than marketable parcels is nil.

(c) The names of the substantial shareholders (including related entities) listed in the company's register are:

	Number of Ordinary Shares Held	Percentage %
G Jamieson	10,701,462*	20.54
G Thomas	21,250,000**	40.79
B Wilkie	3,397,412*	6.52

* Includes 1,388,862 ordinary shares held by entities which are under joint or several control or significant influence by G Jamieson and B Wilkie.

** Includes 10,625,000 ordinary shares held by entities which are under joint or several control or significant influence by G Thomas.

AUSTRALIAN PROPERTY SYSTEMS LIMITED

SHAREHOLDER INFORMATION

(d) 20 Largest Shareholders — Ordinary Shares

	Number of Ordinary Shares Held	% Held of issued Ordinary Capital
Geoffrey Thomas	10,625,000	20.39
Presidential Capital Pty Ltd (Geoffrey Thomas Family Trust)	10,625,000	20.39
Tamlin Holdings Pty Ltd (Superannuation Fund Account)	2,950,000	5.66
Tamlin Holdings Pty Ltd	2,886,600	5.50
Nicholas & Mandy Noye (Alderley Investments Account)	2,548,500	4.89
Ravenslea Nominees Pty Ltd (No 1 Account)	2,364,000	4.54
Lateral Solutions (QLD) Pty Ltd (SPA Staff Superannuation Fund)	2,200,000	4.22
Helen Jane Martin & Gregory Alexander Caird (Martin Caird Super Fund)	1,360,000	2.61
Mr Terry Smith (NLN Account)	1,154,300	2.22
Ravenslea Nominees Pty Ltd (No 2 Account)	1,100,000	2.11
APSLSP Pty Ltd**	1,074,000	2.05
Gow Consulting Pty Ltd (Superannuation Fund Account)	1,066,600	2.01
Nebo (Qld) Pty Ltd	935,950	1.80
ABICH Pty Ltd (GA Caird Family Account)	909,000	1.74
Arthur Gerbanas	900,000	1.73
Boda Investments Pty Ltd	710,410	1.36
Russell Barker	406,125	0.78
DBA Consultancy Pty Ltd (Culchulainn Natural Superannuation Account)	400,000	0.77
GWR Financial Services Pty Ltd (Alderley Investments Account)	400,000	0.77
APS No1 Pty Ltd	314,862	0.60
Joseph Frangiegh	312,000	0.60
	<u>45,222,347</u>	<u>86.80</u>

** - During the year, APSLSP Pty Ltd was de-registered. Shares in the company held by it have consequently vested in the Commonwealth of Australia / Australia Investment Securities Commission.

AUSTRALIAN PROPERTY SYSTEMS LIMITED
SUMMARY OF PAST FINANCIAL STATEMENTS

Summary of Results Including Prior Periods

Results for prior periods, together with those for FY12, are summarised in the table below as extracted from the relevant financial statements.

Period	Revenue (including other income)	Earnings
FY08	\$216,143	\$(587,578)
FY09	\$587,775	\$(1,105,429)
FY10	\$15,667	\$(498,678)
FY11	\$81,660	\$4,839
FY12	-	\$(249,072)

Summary of Balance Sheet Position Including Prior Periods

These are shown in the table overleaf as extracted from the relevant financial statements.

Item	FY12	FY11	FY10	FY09	FY08
Current assets					
Cash & cash equivalents	\$133,508	\$14,296	\$18,513	\$365,004	\$931,945
Trade & other receivables	\$10,473	\$2,126	-	\$62,032	\$57,961
Inventories	-	-	-	-	\$220,157
Other assets	-	-	-	-	\$116,178
Total current assets	\$143,981	\$16,422	\$18,513	\$427,036	\$1,326,241
Non-current assets					
Trade & other receivables	-	-	-	\$26,592	\$25,519
Property, plant & equipment	-	-	-	\$17,201	\$15,079
Total non-current assets	-	-	-	\$43,793	
Total assets	\$143,981	\$16,422	\$18,513	\$470,829	\$1,651,520
Current liabilities					
Trade & other payables	\$64,744	\$108,113	\$115,043	\$68,681	\$155,014
Total current liabilities	\$64,744	\$108,113	\$115,043	\$68,681	\$155,014
Non-current liabilities					
Borrowings	\$420,000	-	-	-	-
Total non-current liabilities	\$420,000	-	-	-	-
Total liabilities	\$484,744	\$108,113	\$115,043	\$68,681	\$155,014
Net assets / (liabilities)	\$(340,763)	\$(91,691)	\$(96,530)	\$402,148	\$1,496,506
Equity					
Contributed equity	\$3,381,000	\$3,381,000	\$3,381,000	\$3,381,000	\$3,381,000
Reserves	\$403,723	\$403,723	\$403,723	\$403,723	\$403,723
Accumulated losses	\$(4,125,486)	\$(3,876,414)	\$(3,881,253)	\$(3,882,575)	\$(2,277,146)
Parent entity interest	\$(340,763)	\$(91,691)	\$(96,530)	\$402,148	\$1,507,577
Non-controlling interest	-	-	-	-	\$(11,071)
Total deficiency	\$(340,763)	\$(91,691)	\$(96,530)	\$402,148	\$1,496,506

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