Australian Premier Finance Holdings Limited

ACN: 099 912 044

Annual Financial Report
for the Financial Year Ended 30 June 2013

Australian Premier Finance Holdings Limited
ACN: 099 912 044

Annual Financial Report
for the Financial Year Ended 30 June 2013

CONTENTS **Page**

Australian Premier Finance Holdings Limited
ACN: 099 912 044

Directors' Report
30 June 2013

The directors of Australian Premier Finance Holdings Limited and its controlled entities (the "Group ") submit herewith the annual financial report for the financial year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1. General information

Principal activities and significant changes in nature of activities

The Group specialise in the provision of finance in the automotive industry.

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

Information on directors

The names and particulars of the directors of the Group who held office at anytime during or since the end of, the year are:

Mr Wayne Adsett	Director
Qualifications	FCA
Experience	Mr Adsett was a founding partner of Adsett & Braddock Chartered Accountants based in Auckland. He practiced for some 25 years before retiring from the practice and the profession. He specialized in management and taxation of medium sized businesses. He now oversees the management a number of companies activities in his role of investor, consultant and director.
Mr Kenneth Allen	Director
Experience	Mr Allen is CEO / Director Secretary and founder of the Group. Ken has been a Group director of numerous companies since June 1970. He has been a licensed Motor Dealer for more than 30 years and a specialist in motor vehicle finance. Ken is Australian born and educated in Sydney with tertiary qualifications in Management and Marketing. He has been a Justice of the Peace for 30 years and active member of Rotary International. He is a Past President of the Rotary Club of Williamtown and team leader of Group Study Exchange (Adult Professional) team to Philippines in 2004. He is presently a member of the Rotary Club of Newcastle. Ken is also Chairman of the Credit Committee of the Group.
Mr Mark Ellis	Director
Experience	Mr Ellis is the Managing Director (Australia and New Zealand) of Crown Worldwide Group and brings with him a wealth of managerial and financial experience. He is currently responsible for the operational and financial performance of companies generating in excess of A$80m in revenues with over 500 employees.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Group secretary

Mr Andrew Whitten held the position of Group secretary for the financial year. Mr Whitten holds a Bachelor of Arts (Economics), Master of Law and Legal Practice (Corporate Finance and Securities Law), Graduate Diploma in Applied Corporate Governance and is an Affiliate of the Institute of Chartered Secretaries (ACIS) (membership pending). Mr Whitten is a Senior Associate with Whittens Lawyers and Consultants.

Review of operations

The net loss of the Group for the financial year after providing for income tax amounted to $14,436 (2012: loss $309,813).

Dividends paid or recommended

In respect of the financial year ended 30 June 2013, no dividends were paid or declared to the shareholders of Australian Premier Finance Holdings Limited (2012: $Nil).

Significant Changes in State of Affairs

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2013 has been received and can be found on page 10 of the financial report.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor’s expertise and experience with the Group is beneficial.

In these events the Board of directors will consider the position and seek advice that it is satisfied that the provision of the non audit services are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors will wish to be satisfied that the provision of non audit services by the auditor, will not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

a) All non audit services will have been reviewed to ensure they do not impact the impartiality and objectivity of the auditor; and

b) None of the services will undermine the general principles relating to auditor’s independence as set out in APES 110 "Code of Ethics for Professional Accountants".

A copy of the auditor’s declaration of independence as required under section 307C of the Corporations Act is set out on page 10.

Non-audit services (cont.)

Details of the amounts paid to the auditor of the Group, Lawler Partners, and its related practices for audit and non-audit services provided during the period are set out in Note 5 in the notes to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed under the Corporations Act 2001.

Options

No options over issued shares or interests in the Group or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Meetings of directors

During the financial year, 2 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Wayne Adsett	2	2
Kenneth Allen	2	2
Mark Ellis	2	-

Indemnification of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Australian Premier Finance Holdings Limited.

Proceedings on behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Remuneration report (audited)

This report details the nature and amount of remuneration for each director of Australian Premier Finance Holdings Limited, company secretary and for the executives receiving the highest remuneration.

Remuneration policy

The remuneration policy of Australian Premier Finance Holdings Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Australian Premier Finance Holdings Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

Remuneration policy (cont.)

The total remuneration of directors is determined at a general meeting. Any increase must be approved at a general meeting provided notice of any suggested increase has been given when the meeting was convened. Once total directors' fees have been determined at a general meeting, the directors determine the amount to be paid to each director.

Any director who devotes special attention to the business of the Group, or who otherwise performs services, which in the opinion of other directors are outside the scope of ordinary duties, may be paid such extra remuneration as the directors may determine.

All directors are entitled to be reimbursed for any out of pocket expenses incurred by them whilst engaged on the business of the Group.

All remuneration paid to directors, company secretary and executives is valued at the cost to the Group and expensed. Shares given to directors, company secretary and executives are valued as the difference between the market price of those shares and the amount paid by the director, company secretary or executive.

Independent external advice is sought when required. Fees for non executive directors are not linked to the performance of the Group. However, to align director's interests with shareholder interests, the directors are encouraged to hold shares in the Group and are able to participate in future employee option plans.

Remuneration details for the year ended 30 June 2013

The remuneration for each director, company secretary and each of the two executive officers of the Group receiving the highest remuneration during the year was as follows:

2013	Salary, Fees and Commissions (including superannuation) $	Cash Bonus $	Non-cash Benefits $	Options $	Total $
Directors					
Wayne Adsett	60,000	-	-	-	60,000
Kenneth Allen	-	-	-	-	-
Mark Ellis	-	-	-	-	-
Company Secretary					
Andrew Whitten	12,000	-	-	-	12,000
Specified Executives					
Carolyn Turner	95,042	-	-	-	95,042
Jason Allen	96,897	-	-	-	96,897
	263,939	-	-	-	263,939

Remuneration report (audited)

The remuneration of key management personnel of the Group does not include any performance based components. Accordingly, 100% of KMP is non-performance based.

Details of remuneration for year ended 30 June 2012

The remuneration for each director, company secretary and each of the two executive officers of the Group receiving the highest remuneration during the year ended 30 June 2012 was as follows:

2012	Salary, Fees and Commissions (including superannuation) $	Cash Bonus $	Non-cash Benefits $	Options $	Total $
Directors					
Wayne Adsett	60,000	-	-	-	60,000
Kenneth Allen	-	-	-	-	-
Mark Ellis	-	-	-	-	-
Company Secretary					
Andrew Whitten	14,567	-	-	-	14,657
Specified Executives					
Carolyn Turner	90,803	-	-	-	90,803
Jason Allen	83,981	-	-	-	83,981
	249,351	-	-	-	249,351

Performance based remuneration

The remuneration of key management personnel of the Group does not include any performance based components. Accordingly, 100% of KMP is non-performance based.

(b) Key Management Personnel Shareholdings

The number of ordinary shares in Australian Premier Finance Holdings Limited held by each key management personnel of the Group during the financial year is as follows:

	Balance at beginning of year	Shares acquired/ (disposed)	Other changes during the year	Balance at end of year
30 June 2013				
Wayne Adsett	14,863,782	-	-	14,863,782
Kenneth Allen	7,806,891	-	-	7,806,891
Mark Ellis	8,212,740	-	-	8,212,740
Carolyn Turner	250,000	-	-	250,000
Jason Allen	250,000	-	-	250,000
	31,383,413	-	-	31,383,413

	Balance at beginning of year	Shares acquired/ (disposed)	Other changes during the year	Balance at end of year
30 June 2012				
Wayne Adsett	14,863,782	-	-	14,863,782
Kenneth Allen	7,806,891	-	-	7,806,891
Mark Ellis	8,212,740	-	-	8,212,740
Carolyn Turner	250,000	-	-	250,000
Jason Allen	250,000	-	-	250,000
	31,383,413	-	-	31,383,413

Employments contracts of directors, company secretary and senior executives

There were no cash bonuses paid to key management personnel during the financial year.

Options and Rights Granted

There were no options or rights granted to key management personnel during the financial year.

Additional Information

NSX Listing rules 6.9(9) and (10) require an analysis of the Group for the last five financial years. The Directors consider that, given the entity significantly changed its business in 2010, that the following information would only be useful for the past four financial years:

	2013	2012	2011	2010
	$	$	$	$
Sales revenue	2,426,955	2,352,728	3,087,082	4,319,608
EBITDA	1,044,408	650,201	576,294	1,486,443
EBIT	1,021,787	642,462	571,369	1,485,649
(Loss)/profit after income tax	(14,436)	(309,813)	(307,302)	440,162

The factors that are considered to affect total shareholders return (TSR) are summarised as follows:

	2013	2012	2011	2010
Share price at financial year end ($A cents)	5 cents	5 cents	10 cents	10 cents
Total dividends declared (A$ cents per share)	-	-	-	-*
Basic earnings per share	(0.02)	(0.53)	(0.53)	0.83

* The dividend paid in 2010 was prior to the reverse acquisition in March 2010. Accordingly, it was not considered appropriate to disclose this dividend in this analysis for comparative information purposes.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Director: ....
Wayne Adsett

Dated: 13 September 2013

Newcastle, NSW

Corporate Governance Statement
30 June 2013

BOARD COMPOSITION AND MEMBERSHIP

The number of directors must consist of no fewer than three and no more than seven.

As at the date of this report the board consisted of three non executive directors (W Adsett, K Allen and M Ellis). The directors have elected Mr Adsett as Chairman. Individual details of directors, including their skills and experience, are set out in the Directors' Report.

DIRECTORS' ARRANGEMENTS

The Group's constitution provides that a director may hold office in any other entity that the Group deals with, with the exception of acting in the capacity of external auditor. Each director must disclose their interests in any other entities with whom the Group deals.

It is the practice of the board that when a conflict of interest or a potential conflict of interest exists, the director concerned withdraws from that part of the meeting whilst the matter is being considered. At the discretion of the other board members and depending on the degree to which a conflict exists, the director concerned may be able to be present during discussions but cannot vote or exert influence over other members of the board.

REMUNERATION OF DIRECTORS

The total remuneration of non executive directors is determined at a general meeting. Any increase must be approved at a general meeting provided notice of any suggested increase has been given when the meeting was convened. Once total non executive directors' fees have been determined at a general meeting, the directors determine the amount to be paid to each non executive director. Executive directors are not entitled to receive directors' fees.

Any director who devotes special attention to the business of the Group, or who otherwise performs services, which in the opinion of other directors are outside the scope of ordinary duties, may be paid such extra remuneration as the directors may determine.

All directors are entitled to be reimbursed for any out of pocket expenses incurred by them whilst engaged on the business of the Group.

Further details regarding the Group's remuneration policy are dealt with in the Directors' Report.

SHARE TRADING POLICY

The Group's share trading policy regulates dealings by the Group's directors, employees and personally related entities of directors and employees in any securities issued by the Group.

The purpose of the policy is to ensure that the Group's directors and employees are aware of the legal restrictions on trading any securities issued by the Group while such a person is in possession of unpublished price sensitive information. Additionally, the policy is intended to minimise the chance that misunderstandings or suspicions may arise if the Group's directors or employees are trading in securities while it is reasonable to assume that they may be in possession of price sensitive information. The policy recognises that it may be illegal to trade in the Group's securities while in possession of unpublished price sensitive information.

CORPORATE GOVERNANCE STATEMENT AUDIT COMMITTEE

The Group has not established an audit committee at 30 June 2013 due to the current size of the Group. Any matters of an audit nature are discussed with the external auditors. It is the intention of the board to establish an audit committee when the Group reaches a size for the establishment to be cost effective.

RISK MANAGEMENT

The board is ultimately responsible for the management and performance of the Group. The board considers the management of risk as one of its key responsibilities. The following processes or procedures have been established to curtail or prevent the occurrence of risks within the Group's operations.

- The establishment of a Credit Management Committee which approves all finance applications. As part of this process, only the Authorised Credit team can approve applications. Sales functions are separated from credit functions which further strengthen the approval process.

- The establishment of a detailed Credit Policy which stipulates the type of financing activities the Group will participate in. This policy is regularly reviewed to ensure it remains relevant.

- The establishment of a Security Register that details specific information in relation to certain types of securities that are held.

- Periodic audit of our information technology systems which includes the identification and rectification of any potential weaknesses that may exist within the constraints of an organisation of this size.

AUDIT

The board is responsible for the selection and appointment of the external auditor. To ensure the independence of the auditor, the Group will not use the services of the external auditor in a capacity that may jeopardize this independence.

CONTINUOUS DISCLOSURE AND REPORTING

The Group is aware of its responsibilities in relation to continuous disclosure as required by the Corporations Act 2001. Directors are also aware of their disclosure obligations at board meetings to keep the Group informed of any matters that are of a serious or significant nature that other directors should be aware of. The outcomes of discussions at board meeting are recorded in the Group's minutes.

Australian Premier Finance Holdings Limited

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 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.

Lawler Partners

LAWLER PARTNERS
Chartered Accountants

CLAYTON G HICKEY
Partner

Newcastle

Dated: 13 September 2013

Australian Premier Finance Holdings Limited
ACN: 099 912 044

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 30 June 2013

	Note	2013 $	2012 $
Revenue	2	2,426,955	2,352,728
Cost of sales	3	(400,322)	(383,401)
Administrative expense		(630,274)	(831,417)
Finance costs	3	(913,435)	(976,089)
Bad and doubtful debts expense	3	(209,358)	(352,642)
Other expenses		(165,214)	(142,806)
Profit / (loss) before income tax		108,352	(333,627)
Income tax benefit/(expense)	4	(122,788)	23,814
Profit / (loss) for the year after income tax		(14,436)	(309,813)
Other comprehensive income		-	-
Total comprehensive income for the year		(14,436)	(309,813)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)	7	(0.02)	(0.53)
Diluted earnings per share (cents)	7	(0.02)	(0.53)

The accompanying notes form part of these financial statements

Australian Premier Finance Holdings Limited
ACN: 099 912 044

Statement of Financial Position
as at 30 June 2013

	Note	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	17(a)	349,957	861,367
Trade and other receivables	8	1,996,708	2,372,547
TOTAL CURRENT ASSETS		2,346,665	3,233,914
NON-CURRENT ASSETS			
Trade and other receivables	8	4,052,626	2,450,752
Property, plant and equipment	9	53,469	46,734
Deferred tax assets	4(c)	185,567	308,355
Intangible assets	10	220,542	181,379
TOTAL NON-CURRENT ASSETS		4,512,204	2,987,220
TOTAL ASSETS		6,858,869	6,221,134
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	53,153	68,328
Borrowings	12	3,816,297	100
Employee benefits	13	26,943	26,161
TOTAL CURRENT LIABILITIES		3,896,393	94,589
NON-CURRENT LIABILITIES			
Borrowings	12	3,008,155	6,159,219
Employee benefits	13	23,552	22,123
TOTAL NON-CURRENT LIABILITIES		3,031,707	6,181,342
TOTAL LIABILITIES		6,928,100	6,275,931
NET (LIABILITIES) / ASSETS		(69,231)	(54,795)
EQUITY			
Issued capital	14	182,700	182,700
Reserves	26	(179,322)	(179,322)
Accumulated losses		(72,609)	(58,173)
TOTAL EQUITY		(69,231)	(54,795)

The accompanying notes form part of these financial statements

Australian Premier Finance Holdings Limited
ACN: 099 912 044

Statement of Changes in Equity
for the Financial Year Ended 30 June 2013

2013	Ordinary Shares $	Retained Earnings $	Acquisition Reserve $	Total $
Balance at 1 July 2012	182,700	(58,173)	(179,322)	(54,795)
Loss for the year ended 30 June 2013	-	(14,436)	-	(14,436)
Balance at 30 June 2013	182,700	(72,609)	(179,322)	(69,231)

2012	Ordinary Shares $	Retained Earnings $	Acquisition Reserve $	Total $
Balance at 1 July 2011	182,700	251,640	(179,322)	255,018
Loss for the year ended 30 June 2012	-	(309,813)	-	(309,813)
Balance at 30 June 2012	182,700	(58,173)	(179,322)	(54,795)

The accompanying notes form part of these financial statements

Australian Premier Finance Holdings Limited
ACN: 099 912 044

Statement of Cash Flows
for the Financial Year Ended 30 June 2013

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		843,609	847,823
Payments to suppliers and employees		(1,159,045)	(1,355,108)
Interest received		1,562,782	1,504,905
Interest paid		(612,495)	(721,841)
New loans issued		(2,872,403)	(1,661,841)
Loan payments received		1,437,010	3,213,553
Income taxes paid/(refunded)		-	42,755
Net cash provided by (used in) operating activities	17(b)	(800,542)	1,870,246
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(41,645)	(21,670)
Purchase of intangible assets		(33,418)	-
Net cash provided by (used in) investing activities		(75,063)	(21,670)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(1,422,819)
Proceeds from borrowings		364,195	-
Dividends paid		-	-
Net cash provided by (used in) financing activities		364,195	(1,422,819)
Net increase (decrease) in cash and cash equivalents held		(511,410)	425,757
Cash and cash equivalents at beginning of financial year		861,367	435,610
Cash and cash equivalents at end of financial year	17(a)	349,957	861,367

The accompanying notes form part of these financial statements

1 Summary of Significant Accounting Policies

(a) General information

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report of Australian Premier Finance Holdings Limited (the "Group") complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue by the Board of Directors on 13 September 2013.

(b) Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(c) Income tax

Current income tax expense

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred income tax assets

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Accounting for deferred tax

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax calculation

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

1 Summary of Significant Accounting Policies (cont'd)

(d) Basis of Consolidation (cont'd)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

(e) Property, Plant and Equipment

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

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

Depreciation

The depreciable amount of all fixed assets are depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

Depreciation rates

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	37.5 %
Furniture, Fixtures and Fittings	6-33 %
Software	37.5 %

(f) Intangibles

Intellectual Property

Intellectual property costs are recorded as an intangible asset. Costs are capitalised as an intangible asset, where such costs will derive future economic benefits. The intellectual property has not been amortised over its useful life, as it is deemed to be an intangible asset with an indefinite useful life.

1 Summary of Significant Accounting Policies (cont'd)

(f) Intangibles (cont'd)

Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition.

Goodwill is not amortised but is reviewed for impairment annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units, or Groups of cash-generating units, expected to benefit from the synergies of the business combination. Cash-generating units or Groups of cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

If the recoverable amount of the cash-generating unit (or Group of cash-generating units) is less than the carrying amount of the cash-generating unit (or Groups of cash-generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or Group of cash-generating units) and then to the other assets of the cash-generating units pro-rata on the basis of the carrying amount of each asset in the cash-generating unit (or Group of cash-generating units). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

On disposal of an operation within a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

(g) Impairment of non-financial assets

Impairment determination

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Assets are tested for recoverability whenever events or changes in circumstances indicate that its carrying value may not be fully recoverable.

The Group monitors the recoverability of assets, based on factors such as current market value, future asset utilisation, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Group's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the discounted estimate of future cash flows from the asset.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

1 Summary of Significant Accounting Policies (cont'd)

(g) Impairment of non-financial assets (cont'd)

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Any held to maturity investments held by the Group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available for sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

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

(h) Financial instruments

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit and loss.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

(j) Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of services is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

1 Summary of Significant Accounting Policies (cont'd)

(j) Revenue and other income (cont'd)

The Group is registered for GST. As the majority of the Group's income is input taxed, GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense with the exception of debt recovery costs and other immaterial expense items where the Group is eligible to claim a reduced input tax credit.

In AHP, revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(k) Trade and other payables

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

(l) Adoption of new and revised accounting standards

During the current year, the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

(m) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Group:

- **AASB 9 Financial Instruments** – Classification and Measurement (applicable for annual reporting periods beginning on or after 1 January 2015). AASB 9 introduces new requirements for classifying and measuring financial assets, and new requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

- **AASB 10 Consolidated Financial Statements** (applicable for annual reporting periods beginning on or after 1 January 2013). The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. Replaces the requirements previously contained in AASB 127 Consolidated and Separate Financial Statements.

- **AASB 11 Joint Arrangements** (applicable for annual reporting periods beginning on or after 1 January 2013). Replaces AASB 131 Interests in Joint Ventures. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

- **AASB 12 Disclosure of Interests in Other Entities** (applicable for annual reporting periods beginning on or after 1 January 2013). Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

1 Summary of Significant Accounting Policies (cont'd)

(m) New accounting standards for application in future periods (cont'd)

- **AASB 119 Employee Benefits** (applicable for annual reporting periods beginning on or after 1 January 2013). AASB 119 Employee Benefits includes revised requirements for pensions and other postretirement benefits, termination benefits and other changes.

- **AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements** (applicable for annual reporting periods beginning on or after 1 July 2013). These Standards together implement 'stage 1' of the AASB's revised differential reporting regime.

  AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements:

  - Tier 1: Australian Accounting Standards
  - Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements ('RDR').

  AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by 'Tier 2' entities. In some cases, additional 'RDR' paragraphs are inserted requiring simplified disclosures.

- **AASB 1055 Budgetary Reporting** (applicable for annual reporting periods beginning on or after 1 July 2014). AASB 1055 sets out budgetary reporting requirements for not-for-profit entities within the General Government Sector (GGS) of the Australian Government and State and Territory Governments, and, together with AASB 2013-1, relocates the corresponding budgetary reporting requirements for the whole of government and GGS of the Australian Government and State and Territory Governments from AASB 1049.

- **AASB 2010-10 Removal of Fixed Dates for First-time Adopters** (applicable for annual reporting periods beginning on or after 1 January 2013). Amends AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) to replace references to a fixed date of '1 January 2004' with 'the date of transition to Australian Accounting Standards', thereby providing relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

- **AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements** (applicable for annual reporting periods beginning on or after 1 July 2013). Establishes reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements in relation to the Australian additional disclosures arising from the Trans-Tasman Convergence Project.

- **AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements** (applicable for annual reporting periods beginning on or after 1 July 2013). Amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs.

1 Summary of Significant Accounting Policies (cont'd)

(m) New accounting standards for application in future periods (cont'd)

- **AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements** (applicable for annual reporting periods beginning on or after 1 July 2013). Extends relief from consolidation, the equity method and proportionate consolidation to Tier 2 entities in particular circumstances, by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements.

- **AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements** (applicable for annual reporting periods beginning on or after 1 July 2013). Sets out reduced disclosure requirements for Tier 2 entities to apply in relation to AASB 119 'Employee Benefits (September 2011)'.

- **AASB 2001-12 Amendments to Australian Accounting Standards arising from Interpretation 20-Stripping Costs in the Production Phase of a Surface Mine** (applicable for annual reporting periods beginning on or after 1 January 2013). Clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.

- **AASB 2012-1 Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements** (applicable for annual reporting periods beginning on or after 1 July 2013). Sets out reduced disclosure requirements for Tier 2 entities to apply in relation to AASB 13 Fair Value Measurement and amends reduced disclosure requirements of other Australian Accounting Standards that were amended as a consequence of the issuance of AASB 13.

- **AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)** (applicable for annual reporting periods beginning on or after 1 January 2013). Amends AASB 7 Financial Instruments: Disclosures to require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

- **AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)** (applicable for annual reporting periods beginning on or after 1 January 2014). Addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 Financial Instruments: Presentation. Clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

- **AASB 2012-4 Amendments to Australian Accounting Standards – Government Loans (Amendments to AASB 1 'First-time Adoption of International Financial Reporting Standards')** (applicable for annual reporting periods beginning on or after 1 January 2014). Gives first-time adopters of AASBs relief from full retrospective application of AASBs when accounting for government loans received at a below market rate of interest on transition.

1 Summary of Significant Accounting Policies (cont'd)

(m) New accounting standards for application in future periods (cont'd)

- **AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle** (applicable for annual reporting periods beginning on or after 1 January 2013). Amends a number of pronouncements as a result of the 2009–2011 annual improvements cycle.

- **AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039** (applicable for annual reporting periods beginning on or after 1 January 2013). Enactment of Major Tax Bills in Australia from the list of 'other Australian interpretations' contained in AASB 1048 Interpretation of standards (Table 2), thereby removing its legal status as a mandatory reporting requirement.

- **AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments** (applicable for annual reporting periods beginning on or after 1 July 2013). Amends AASB 10 'Consolidated Financial Statements' and AASB 128 'Investments in Associates and Joint Ventures' to extend relief from consolidation and the equity method for entities complying with Australian Accounting Standards – Reduced Disclosure Requirements.

- **AASB 13 Fair Value Measurement** (applicable for annual reporting periods beginning on or after 1 January 2013). Replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The AASB defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, AASB 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

(n) Critical accounting estimates and judgements

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

Significant accounting estimates

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of receivables and other factors that affect receivables.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and definite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

1 Summary of Significant Accounting Policies (cont'd)

(n) Critical accounting estimates and judgements (cont'd)

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and grown rates of the estimated future cash flows.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liability for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probably that future taxable amounts will be available to utilise those temporary differences and losses.

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Significant accounting judgements

In the process of applying the Group's accounting policies, management has not made any judgements which have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations.

(o) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(p) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

1 Summary of Significant Accounting Policies (cont'd)

(q) Finance costs

Finance costs attributable to qualifying assets and capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on the bank overdraft
- interest on short-term and long-term borrowings
- interest on finance leases
- unwinding of the discount on provisions

(r) Employee benefits

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

Long service leave
The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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 reporting date on national government bonds with terms to maturity and currency that match, as closely possible, the estimate future cash outflows.

(s) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Australian Premier Finance Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

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

(t) Going concern

The consolidated entity has prepared the financial report on a going concern basis. The consolidated entity recorded a post-tax loss of $14,436 for the year ended 30 June 2013 with negative operating cash flows of $800,542 (2012: $1,870,246) and net liabilities at 30 June 2013 of $69,231 (2012: loss of $309,813 and net liabilities of $54,796).

The directors consider the preparation of the financial report on a going concern basis as a result of the consideration of the following:

i) The consolidated entity has undergone significant change over the past two years with a marked improvement recorded in the year ended 30 June 2013.
ii) The consolidated entity has prepared cash flow forecasts for the year ended 30 June 2014. Based on these forecasts, the directors consider the consolidated entity will be able to meet their debts as and when they fall due and payable.

The financial report has been prepared on a going concern basis for the above reasons. Accordingly the financial report does not contain any adjustments relating to recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

		2013 $	2012 $
2	**Revenue and Other Income**		
	Services revenue	761,542	707,570
	Interest income - loans	1,542,218	1,454,783
	Interest income – bank	20,564	50,122
	Bad debt recoveries	102,631	140,253
		2,426,955	2,352,728
3	**Profit from Ordinary Activities**		
	Cost of sales	400,322	383,401
	Finance costs	913,435	976,089
	Bad and doubtful debts expense	209,358	352,642
	Depreciation and amortisation	22,621	7,739
	Loss on disposal of property, plant and equipment	6,544	2,883

4 Income Tax Expense

(a) The components of tax (benefit)/ expense comprise:

	2013 $	2012 $
Originating and reversing temporary differences	122,788	(23,814)
	122,788	(23,814)

(b) The prima facie (benefit)/ expense tax on profit from ordinary activities is reconciled to the income tax as follows:

	2013 $	2012 $
Income tax expense/(benefit) calculated at 30% (2012: 30%)	32,505	(100,088)
	32,505	(100,088)
Add tax effect of:		
- other non-allowable items	90,283	76,274
	90,283	76,274
Less tax effect of:		
- (over)/under provision in prior year	-	-
Income tax expense attributable to profit from ordinary activities	122,788	(23,814)
The applicable weighted average effective tax rates are as follows:	113.3%	7.1%

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	2013 $	2012 $
(c) Deferred tax		
Deferred tax assets comprise:		
Temporary differences	58,312	116,098
Tax losses- revenue	127,255	192,257
	185,567	308,355

Taxable losses and deductible temporary differences arise from the following:

	Opening Balance $	Charged to Income $	Charged directly to Equity $	Changes in Tax Rate $	Exchange Differences $	Closing Balance $
Deferred tax assets						
Provision for doubtful debts	160,119	(68,952)	-	-	-	91,167
Accruals	15,809	(5,363)	-	-	-	10,446
Employee benefits	10,401	4,084	-	-	-	14,485
Tax losses- revenue	98,212	94,045	-	-	-	192,257
Balance at 30 June 2012	284,541	23,814	-	-	-	308,355
Provision for doubtful debts	91,167	(59,954)	-	-	-	31,213
Accruals	10,446	1,506	-	-	-	11,952
Employee benefits	14,485	663	-	-	-	15,148
Tax losses- revenue	192,257	(65,003)	-	-	-	127,254
Balance at 30 June 2013	308,355	(122,788)	-	-	-	187,567

5 Auditor's Remuneration

	2013 $	2012 $
Remuneration of the auditor of the parent entity, for:		
- auditing the financial report (i)	28,000	27,320
- review of interim financial report (i)	5,250	5,100
	33,250	32,420

(i) This reflects the remuneration paid to Lawler Partners, as auditors of Australian Premier Finance Holdings Limited.

	2013 $	2012 $
6 Dividends		
Interim fully franked ordinary dividend of $Nil (2012: $Nil) per share franked at the tax rate of 30%	-	-
Adjusted franking account balance	536,618	536,618
7 Earnings per Share		
(a) Earnings Used in Calculation of EPS		
Loss for the year	(14,436)	(309,813)

	2013 No.	2012 No.
(b) Weighted Average Number of Shares Used in Calculation of EPS		
Ordinary EPS	58,256,207	58,256,207

	2013 $	2012 $
8 Trade and Other Receivables		
CURRENT		
Trade receivables	2,018,646	2,587,417
Provision for impairment	(104,040)	(303,888)
	1,914,606	2,283,529
Prepayments	7,173	4,157
Other receivables	74,929	84,861
	1,996,708	2,372,547
NON-CURRENT		
Trade receivables	4,052,626	2,450,752

(a) Trade receivables

The Group has assessed receivables and recognised an allowance for doubtful debts for those that they deem may not be recoverable based on percentages greater than 90 days plus any arrears that management believe may be uncollectable using previous experience.

Before accepting any new customer, the Group uses an internal credit policy to assess the potential customer's credit quality. There are no customers who represent more than 5% of the total balance of trade receivables.

(b) Aged analysis

Trade receivables disclosed above include amounts (see below for aged analysis) that are receivable at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

8 Trade and Other Receivables (continued)

	2013 $	2012 $
Not overdue	5,390,731	4,210,857
1-30 days overdue	445,625	372,722
31-60 days overdue	88,606	83,995
61-90 days overdue	24,375	66,707
91+ days overdue	17,895	-
	5,967,232	4,734,281

(c) Movement in the provision for impairment of receivables

Movement in the provision for impairment of receivables is as follows:		
Balance at beginning of year	303,888	533,728
Impairment losses recognised on receivables	311,202	353,642
Amounts written off during the year	(409,206)	(583,482)
Bad debts recouped	(101,844)	-
Balance as the end of the year	104,040	303,888

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

9 Property, Plant and Equipment

Plant and equipment - at cost	56,871	15,227
Less: accumulated depreciation	(17,065)	(12,423)
	39,806	2,804
Furniture, fixtures and fittings - at cost	30,238	34,667
Less: accumulated depreciation	(16,575)	(10,737)
	13,663	23,930
Software – at cost	-	20,000
	-	20,000
	53,469	46,734

9 Property, Plant and Equipment (cont'd)

(a) Movements in Carrying Amounts

	Plant and Equipment $	Furniture, Fixtures and Fittings $	Software $	Total $
Balance at 1 July 2011				
Balance at the beginning of the year	2,197	33,488	-	35,685
Additions	1,670	-	20,000	21,670
Disposals	-	(2,882)	-	(2,882)
Depreciation expense	(1,063)	(6,676)	-	(7,739)
Balance at 30 June 2012	2,804	23,930	20,000	46,734
Balance at 1 July 2012				
Balance at the beginning of the year	2,804	23,930	20,000	46,734
Additions	41,645	-	-	41,645
Disposals	-	(6,544)	-	(6,544)
Transfers out	-	-	(20,000)	(20,000)
Depreciation expense	(4,643)	(3,723)	-	(8,366)
Balance at 30 June 2013	39,806	13,663	-	53,469

	2013 $	2012 $
10 Intangible Assets		
Goodwill	81,379	81,379
Intellectual property	100,000	100,000
Software	39,163	-
	220,542	181,379

(a) Reconciliation of movements

	Goodwill $	Intellectual property $	Software $	Total $
Year ended 30 June 2012				
Balance at the beginning of the year	81,379	100,000	-	181,379
Closing value at 30 June 2012	81,379	100,000	-	181,379
Year ended 30 June 2013				
Balance at the beginning of the year	81,379	100,000	-	181,379
Additions	-	-	33,418	33,418
Disposals	-	-	-	-
Transfers in	-	-	20,000	20,000
Amortisation expense	-	-	(14,255)	(14,255)
Closing value at 30 June 2013	81,379	100,000	39,163	220,542

10 Intangible Assets (cont'd)

(b) Useful Lives

The directors consider the intellectual property to have an indefinite useful life.

(c) Impairment testing

The recoverable amount of the consolidated entity's goodwill and intellectual property has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2 year projection period approved by management and extrapolated for a further three years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset of cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model:

- Revenue Growth rate: 0% (2012: 0%)
- Expense Growth rate: 3% (2012: 3%)
- Discount rate: 15% (2012: 15%)

The discount rate of 15% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average costs of capital, the risk free rate and the volatility of the share price relative to market movements.

There was nil impairment at 30 June 2013 (2012: nil) as a result of recoverable amount assessment. Sensitivity analysis of 2-5% movement in key details identified no potential impairment indicators.

	2013 $	2012 $
11 Trade and Other Payables		
Trade and other payables	53,153	68,328
	53,153	68,328

	2013	2012
	$	$
12 Borrowings		
CURRENT		
Unsecured liabilities:		
Northview Group Ltd (a)	376,384	-
Charles Garrison (a)	673,174	-
Hern Investments Ltd (formerly Vintage Cellars Ltd) (a)	180,455	-
MP Ellis Holdings P/L atf The Ellis Hybrid (a)	511,937	-
RAE Group Ltd (a)	248,244	-
Adsett & Associates (a)	248,243	-
K & J Allen (a)	877,760	-
Superannuation Fund of Panama (b)	500,000	-
	3,616,197	-
Secured liabilities:		
Adsett & Associates Ltd (b)	100	100
MP Ellis Holdings P/L (b)	200,000	-
	200,100	100
	3,816,297	100
NON-CURRENT		
Unsecured liabilities:		
Northview Group Ltd (a)	-	340,036
Charles Garrision (a)	-	608,164
Hern Investments Ltd (formerly Vintage Cellars Ltd) (a)	-	163,028
MP Ellis Holdings P/L atf The Ellis Hybrid (a)	-	462,498
RAE Group Ltd (a)	-	224,271
Adsett & Associates (a)	-	224,270
K & J Allen (a)	-	792,992
	-	2,815,259
Secured liabilities:		
Superannuation Fund of Panama Inc. (b)	3,008,155	3,343,960
	3,008,155	3,343,960
	6,824,452	6,159,219

(a) On 30 September 2010, the directors resolved to assign $2.414m of loans payable to various parties by APF to AHP in return for AHP being issued $2.414m ordinary shares in APF. On 22 November 2010, AHP shareholders resolved to issue $2.414m redeemable preference shares in satisfaction of its loans payable to related and non-related parties. One preference share is equal to 20 ordinary shares. The interest rate to be paid quarterly on these redeemable preference shares is 10% and the convertible maturity date is 30 September 2013. Accordingly, this has been recognised as a current liability for the year ended 30 June 2013.

(b) These loans are secured by a fixed and floating charge over the Group's assets registered with Personal Property Securities Register (PPSR).

	2013 $	2012 $
13 Employee Benefits		
CURRENT		
Employee entitlements (a)	26,943	26,161
NON CURRENT		
Employee entitlements (a)	23,552	22,123

(a) Total employee entitlements

	2013 $	2012 $
Carrying amount at the start of the year	48,284	34,671
Net additional provisions during the year	2,211	13,613
Carrying amount at the end of the year	50,495	48,284

14 Issued Capital

	2013 $	2012 $
58,256,207 fully paid ordinary shares (2012: 58,256,207)	182,700	182,700
	182,700	182,700

	2013 No.	2012 No.
(a) Fully paid ordinary shares		
At the beginning of the reporting period	58,256,207	58,256,207
Shares issued during the year	-	-
At the end of the reporting period	58,256,207	58,256,207

Ordinary shares participate in dividends and the proceeds on winding up of the Group 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.

(b) Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital consists of ordinary share capital and financial liabilities, supported by financial and other assets. There are no externally imposed working capital restrictions or capital requirements.

Management effectively manage the Group's capital include management of debt levels and share issues when further capital is required. There have been no changes to this strategy during the period.

15 Contingent Liabilities and Contingent Assets

There are no contingent assets or liabilities in existence at balance date not otherwise disclosed in the financial report.

16 Segment Reporting

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

17 Cash Flow Information

(a) Reconciliation of cash

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

	2013 $	2012 $
Cash and cash equivalents	349,957	861,367
	349,957	861,367

(b) Reconciliation of result for the year to cashflows from operating activities

	2013	2012
Reconciliation of loss to net cash provided by operating activities:		
Net loss for the period	(14,436)	(309,813)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss:		
- Interest payable on redeemable preference shares	300,940	254,248
- Depreciation and amortisation	22,621	7,739
- Bad/ doubtful debts	209,358	352,642
- Loss on disposal of plant & equipment	6,544	2,884
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- decrease/(increase) in loan receivables	(1,435,393)	1,551,711
- (increase)/decrease in deferred tax assets	122,788	(23,814)
- (decrease)/increase in trade payables and accruals	(15,175)	(21,718)
- decrease/(increase) in current tax balances	-	42,755
- increase/(decrease) in provisions	2,211	13,613
Cashflow from operations	(800,542)	1,870,246

18 Events After the End of the Reporting Period

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

19 Group Details

The registered office of the Group is:
Whittens Lawyers and Consultants
Suite 9, Level 5
137 139 Bathurst Street
SYDNEY NSW 2000
The principal places of business is:
3 Industrial Crescent
LEMON TREE PASSAGE NSW 2319

20 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transaction with related parties:

	2013 $	2012 $
Pensioner Financial Services Pty Limited, a company controlled by Mr K Allen, provided premises for rent for the period 1 July 2012 – 30 June 2013	90,040	87,507
Adsett & Associates Ltd, a company controlled by Wayne Adsett, a director, provided financial management services	60,000	60,000
Loans owing to Adsett & Associates Ltd (a company associated with Mr W Adsett)	100	100
Redeemable preference shares issued to Adsett & Associates Ltd (a company associated with Mr W Adsett)	223,305	223,305
Redeemable preference shares issued to Northview Group Ltd (a company associated with Mr W Adsett)	338,573	338,573
Redeemable preference shares issued to MP Ellis Holdings Ltd (a company associated with Mr M Ellis)	460,509	460,509
Fees paid to Texbon for services rendered	49,625	10,400
Amount owed by Texbon at year end	30,885	30,885
Fees paid to Lemon Tree Car Sales for services rendered	34,261	-
Amount owed by Lemon Tree Car Sales at year end	40,044	40,044
Interest paid/accrued to Adsett & Associates Ltd (a company associated with Mr W Adsett) on redeemable preference shares / loans	23,973	30,937
Interest paid/accrued to Northview Group Ltd (a company associated with Mr W Adsett) on redeemable preference shares / loans	36,348	46,906
Interest paid/accrued to MP Ellis Holdings (a company associated with Mr M Ellis) on redeemable preference shares / loans	49,439	63,800
Loans owing to MP Ellis Holdings Pty Limited (a company associated with MP Ellis)	200,000	-
Interest paid/accrued to MP Ellis Holdings Pty Limited (a company associated with MP Ellis) on loan	28,333	-
Company secretarial fees paid to Andrew Whitten	12,000	14,567

21 Interests of Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Wayne Adsett - Director
Kenneth Allen - Director
Mark Ellis - Director
Carolyn Turner - General Manager
Jason Allen – Business Development Manager
Andrew Whitten - Company Secretary

The remuneration of key management personnel is included in the Directors Report.

(a) Key Management Personnel Shareholdings

The number of ordinary shares in Australian Premier Finance Holdings Limited held by each key management personnel of the Group during the financial year is as follows:

	Balance at beginning of year	Shares acquired/ (disposed)	Other changes during the year	Balance at end of year
30 June 2013				
Wayne Adsett	14,863,782	-	-	14,863,782
Kenneth Allen	7,806,891	-	-	7,806,891
Mark Ellis	8,212,740	-	-	8,212,740
Carolyn Turner	250,000	-	-	250,000
Jason Allen	250,000	-	-	250,000
	31,383,413	-	-	31,383,413

	Balance at beginning of year	Shares acquired/ (disposed)	Other changes during the year	Balance at end of year
30 June 2012				
Wayne Adsett	14,863,782	-	-	14,863,782
Kenneth Allen	7,806,891	-	-	7,806,891
Mark Ellis	8,212,740	-	-	8,212,740
Carolyn Turner	250,000	-	-	250,000
Jason Allen	250,000	-	-	250,000
	31,383,413	-	-	31,383,413

22 Financial Instruments

(a) Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, loans to and from subsidiaries and bank bills.

The main purpose for non derivative financial instruments is to raise finance for Group operations. The Group does not have any derivative financial instruments at the end of the financial year.

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a stringent policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group has specific policies with respect to the approval of loans to counterparties. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have significant credit risk exposure to any single counterparty or any Group of counterparties with similar characteristics.

22 Financial Instruments (continued)

(c) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	$	$	$	$	$	$	$	$
Financial Assets:										
Cash and cash equivalents	3.66	3.93	-	-	349,957	861,367	-	-	349,957	861,367
Trade and other receivables	31.00	31.00	6,071,272	5,038,169	-	-	74,929	84,861	6,146,201	5,123,030
Total Financial Assets			6,071,272	5,038,169			74,929	84,861	6,496,158	5,984,397
Financial Liabilities:										
Trade and other payables			-	-	-	-	53,153	68,327	53,153	68,327
Borrowings	14.22	14.03	6,824,452	6,159,319	-	-	-	-	6,824,452	6,159,319
Total Financial Liabilities			6,824,452	6,159,319	-	-	53,153	68,327	6,877,605	6,227,646

22 Financial instruments (continued)

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk and has determined that any fluctuations would not have a material impact on profit or equity. The Group is exposed to interest rate risk on its finance leases and cash at bank however any changes affecting these would be minimal.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points lower/higher and all other variables were held constant the Group's profit for the year ended 30 June 2013 would decrease/increase by $1,750 (2012: decrease/increase by $4,307). This is attributable to the Group's exposure to interest rates on its variable rate borrowings and variable rate loans receivable.

The Group is not exposed to any other market rate fluctuations.

(e) Net fair values

The net fair value approximates the carrying value of financial assets and liabilities of the economic entity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

(f) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have established an appropriate liquidity risk management framework for the management of the Group's short – medium – long – term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

23 Parent entity information

A summarised financial position and performance of AHP, the legal parent entity, is as follows:

	2013 $	2012 $
Current assets	-	9,932
Non-current assets	2,795,511	2,817,502
Total assets	2,795,511	2,827,434
Current liabilities	3,626,416	354,488
Non-current liabilities	-	2,815,258
Total Liabilities	3,626,416	3,169,746
Capital	1,119,611	1,119,611
Retained earnings	(1,950,516)	(1,461,922)
Net profit/ (loss) for the period	(488,593)	(261,740)
Total comprehensive income	(488,593)	(261,740)

23 Parent entity information (continued)

AHP does not have any contingent assets or liabilities, guarantees or contractual commitments in existence at balance date not otherwise disclosed in the financial report.

24 Subsidiaries

Details of the subsidiaries of the 'accounting' parent, APF, at 30 June 2013 are as follows:

Name of subsidiary	Principal Activity	Place of incorporation & operation	Proportion of ownership interest & voting power	
			2013	**2012**
Australian Premier Finance Holdings	Dormant	Australia	0% *	0% *

* The shares of Australia Premier Finance Holdings Limited are held by external shareholders.

25 Capital and Leasing Commitments

The Group does not have any capital expenditure in existence at balance date not otherwise disclosed in the financial report.

Lease commitments – operating

Committed at the reporting date but not recognised as liabilities, payable:	2013 $	2012 $
Within one year	36,760	87,154
One to five years	-	36,760
More than five years	-	-
	36,760	123,914

The above lease commitments relates to the rental of premises at 3 Industrial Crescent at Lemon Tree Passage, New South Wales.

	2013 $	2012 $
26 Reserves		
Acquisition reserve	179,322	179,322
Movement in reserves		
Opening balance	179,322	179,322
Movement in current year	-	-
Closing balance	179,322	179,322

Australian Premier Finance Holdings Limited
ACN: 099 912 044

Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes, as set in the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cashflows and notes to the financial statements, are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards and the Corporations Regulations 2001;

    b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the consolidated entity;

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

    d. the directors have been given the declarations required by s.295A of the Corporations Act.

2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....

Wayne Adsett

Dated: 13 September 2013

Newcastle, NSW

lawler partners chartered accountants

Independent Audit Report to the members of Australian Premier Finance Holdings Limited

Report on the Financial Report

We have audited the accompanying financial report of Australian Premier Finance Holdings Limited and controlled entities (the Group), which comprises the statement of financial position as at 30 June 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the directors also state, in accordance with Accounting Standard *AASB 101: Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with 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. These Auditing 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 entity's preparation and fair presentation of the financial report 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 entity'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 was provided to the directors of Australian Premier Finance Holdings Limited and controlled entities on 13 September 2013.

Independent Audit Report to the members of Australian Premier Finance Holdings Limited

Auditor's Opinion

In our opinion, the financial report of Australian Premier Finance Holdings Limited is in accordance with:

(a) the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of their performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Remuneration Report

We have audited the Remuneration Report included in pages 3 to 6 of the report of directors for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s300A 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 Premier Finance Holdings Limited for the year ended 30 June 2013, complies with s300A of the *Corporations Act 2001*.

Lawler Partners

LAWLER PARTNERS
Chartered Accountants

CLAYTON G HICKEY
Partner

Newcastle

Dated: 13 September 2013

Australian Premier Finance Holdings Limited

Additional Information for Listed Public Companies
30 June 2013

Top 20 Ordinary Shareholders as at 30 June 2013.

Shareholder	Shares	% of Issued
Northview Group Ltd	14,863,782	25.51
Mr Charles P Garrison	10,866,987	18.65
MP Ellis Holdings Pty Ltd <The Ellis Hybrid A/C>	8,212,740	14.10
Mr Kenneth D Allen	7,806,891	13.40
Ms Joan A Allen	7,806,891	13.40
Vintage Cellars ltd	2,904,247	4.99
A C Labels Pty Ltd	986,805	1.69
Sterling Growth Pty Limited	604,890	1.04
Palm Leaf Pty Limited	504,226	0.87
Springfresh Marketing Pty Limited <Dash Family Staff S/F A/C>	440,000	0.76
Mr Jason K Allen	250,000	0.43
Ms Carolyn A Turner	250,000	0.43
Exchequer Investments Ltd	250,000	0.43
Rae Group Ltd	250,000	0.43
Cryogen Australia Pty Ltd	200,000	0.34
Mr Greg Mark Bunt	90,042	0.15
Mr Anthony Paul Moran	90,042	0.15
Shirley David	66,196	0.11
Mr Ian Edward Bollen & Ms Susan Patricia Kelly	50,000	0.09
Samuel Clarke Investments Pty Ltd <Clarke Family A/C>	50,000	0.09
Donscape Pty Ltd <M & J Taylor Family A/C>	50,000	0.09
Total	56,593,739	97.15

Number of ordinary shares held	Number of shareholders	Total units	Percentage holdings %
1 – 1,000	2	2,000	0.003
1,001 – 5,000	194	576,500	0.990
5,001 – 10,000	54	482,474	0.828
10,001 – 100,000	29	997,774	1.713
100,001 and over	15	56,197,459	96.466
Total	294	58,256,207	100.00