

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

ACN: 109 469 383

**Financial Report For The Year Ended
30 June 2013**

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CONTENTS	Page
Corporate Governance Statement	1
Directors' Report	3
Auditor's Independence Declaration	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15
Directors' Declaration	37
Independent Auditor's Report	39

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

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

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

Role of the Board

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

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

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

Board Size and Composition

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

Role of Chairman

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

Board Meetings

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

Access to Information and Advice

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

Committees

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

Risk Management

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

Risk Management Roles and Responsibilities

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

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

Financial Reporting

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

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

Internal Audit

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

Conflict of Interest

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

Code of Conduct

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

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

Trading in Company Securities

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

Communication with Shareholders

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

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

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

Your directors present their report, together with the financial statements of the Group, being the Company and its controlled entities for the financial year ended 30 June 2013.

Principal Activities and Significant Changes in Nature of Activities

The business of the Australian Small Scale Offerings Board Limited (ASSOB) is a matching service between investors and companies raising capital under the Class Order 02/273 and Section 708 of the Corporations Act, 2001. The Board operates through around 15 active accredited sponsor organizations that act like nominated advisors and clients are not able to "list" on the Board for capital raising without the facilitation of the sponsor.

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

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

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

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

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

Operating Results and Review of Operations for the year

Operating Results

The net loss for the consolidated entity for the year after income tax was (\$325,525) (2012 loss: \$126,920).

Included in this profit figure is a Research & Development income tax refund of \$46,511 (2012: \$54,438).

Review of Operations

The net loss after tax for the year of (\$325,525) (2012 loss: \$126,920) was made up of a loss of (\$113,545) (2012: \$98,620 loss) for the first half-year ended 31 December 2012 and a loss of (\$211,980) (2012: (\$28,300) loss) for the second half-year ended 30 June 2013. Revenue including other income from operations for the year was \$561,483 (2012: \$842,636), made up of \$347,885 for the first half (2012: \$407,859) and \$213,598 in the second half (2012: \$433,970).

General investor and entrepreneurial confidence as well as the legislative environment that governs capital raising still remain the essential elements in running a profitable operation. While investor and entrepreneurial confidence has picked up since the election, for the period this financial report covers it continues to decline.

ASSOB continues to invest in developing the functionality of its web-based platform. Much of the development focus is to ensure that when there is legislative change in this area in Australia, that ASSOB, using its learnings from the American market, is ready to take advantage of such change in legislation to grow its business.

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

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

ASSOB is taking an active role in suggesting to Australian legislators and regulators the changes necessary to allow a responsible, useful and free flow of investment to early stage growth business opportunities. A simple change like increasing the number of retail investors allowable in a small scale offering from 20 to 100 would lower the average investment size from around \$30,000 to \$5,000. This would both lessen the quantum of cash risked for individual investors and increase the number of investors who have the cash to invest in a manageable parcel of shares.

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

DIRECTORS' REPORT

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

One of ASSOB's most successful capital raising efforts in 2012/13 was selfwealth.com.au. Selfwealth is a portal where people can manage their superannuation portfolio themselves for an annual fee. \$1.65 million was raised in 8 months in a text book raise on the ASSOB platform.

ASSOB has an established track record in raising capital for high growth unlisted companies, with over 300 companies securing \$135 million funding over the past eight years.

This year saw us sell a licence for the ASSOB platform to the United States where it will operate under the name of Offerboard.com. This is the first of many planned licence sales worldwide.

Financial Position

Liquidity and capital resources

At 30 June 2013 the Company had cash at bank of \$49,144 and a current receivables balance of \$691,416. \$626,711 relates to unpaid capital which was processed on 30 June 2013 and received on 2 July 2013. A \$46,511 Research & Development refund is due from the Australian Taxation Office. The total current assets amount to \$746,960.

The ratio of current assets of \$746,960 to current liabilities of \$358,943 is 2.08:1. This compares favourably to the prior year current ratio of 1:2.08 when the current assets were \$117,297 and current liabilities \$244,259. The current liabilities include a short-term loan of \$60,000 (2012: \$35,000) provided by a shareholder and increased accounts payable.

Asset and capital structure

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

Issued capital of \$16,032,172 is comprised of \$10,825,200 that relates to the period prior to the merger, when the company traded as Appollo Assets Limited, \$4,050,751 that relates to the shares previously issued by the Company's subsidiary, ASSOB Pty Ltd prior to the merger and \$1,154,388 issued since the merger.

The Company also has \$456,501 in non-current borrowings provided by a director and current and former major shareholders.

Share issues during the year

On 25 July 2012 an invoice of \$8,000 was converted into 421,053 fully paid ordinary shares.

On 22 May 2013 Australian Small Scale Offerings Board Ltd issued 7,407,750 fully paid ordinary shares at an issue price of \$0.0215 per share to Nehemiah Interests LLC, raising \$159,302. In addition to this, another 29,142,250 fully paid ordinary shares were issued on 30 June 2013 at \$0.0215 per share to Nehemiah Interests LLC. This issue raised an additional \$626,698.

Profile of debts

A short term loan of \$25,000 was provided by a major shareholder during the year. This loan has been fully paid as of 31 July 2013.

The group's long term debt finance is made up of \$456,501 loans from major shareholders. Both are interest only loans with principal repayable in March 2015. ASSOB may elect to repay these loans early if it is considered appropriate.

Capital expenditure

The capital expenditure incurred for the year was \$6,044 in plant & equipment and \$7,986 invested in upgrading the Company's website, which includes the capital raising platform, and other computer equipment assets.

Treasury policy

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

Summary of performance

		2008*	2009*	2010	2011	2012	2013
Gross revenue	\$'000	-	1,717	983	902	842	565
Net profit before tax	\$'000	(179)	(4,876)	4	(117)	(207)	(311)
Total assets	\$'000	1	358	469	339	333	862
Total liabilities	\$'000	1	745	733	584	705	820
Shareholders' funds	\$'000	-	(387)	(264)	(245)	(372)	42
Earnings per share	Cents	(179)	(4.08)	0.09	0.01	(0.09)	(0.23)
Dividends per share	Cents	-	-	-	-	-	-
Net tangible assets per share	Cents	-	(0.33)	(0.25)	(0.24)	(0.33)	(0.02)
Price earnings ratio		(3.04)	(0.25)	2.34	14.61	(2.22)	(0.87)

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

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

Significant Changes in State of Affairs

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

Dividends Paid or Recommended

No dividends were paid or recommended for the period.

Events after the Reporting Period

There were no events after the reporting period.

Future Developments, Prospects and Business Strategies

Your Directors recognise that we are a leader in this space and have undertaken considerable enhancements to the ASSOB platform to ensure it is easily customised to changes in equity based funding legislation as it is introduced in countries worldwide. Discussions are already underway in several jurisdictions as to the most suitable customization for each country. This year has seen modification to the platform so it is more easily replicated in other countries.

As we go forward we will have an Australian based business operating a platform in Australia and an international licensing operation that will sell the platform worldwide with the assistance of Offerboard in the USA.

Raise sizes continue to decrease in Australia. Five years ago raises of between \$2 million and \$3 million were fairly common. With outsourcing, cloud computing, shared workplaces and other impacts of digital technology raise sizes are now between \$200,000 and \$2 million.

At this level of funding structural change is required to legislation so that more people can invest with a lower investment parcel size. The average ASX transaction size is less than \$7,000. This contrasts to the average ASSOB transaction of around \$30,000. Change is urgently needed to arrest this disadvantage for small to medium enterprises (SMEs). The outlook for the Australian market can only improve in line with increases in investor and entrepreneurial confidence and regulatory change with regard to parcel size and investor numbers. New regulation in the USA is fuelling a resurgence of investor activity.

Environmental Issues

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

Information on Directors

Mr Anthony Franz Lucien Puls	—	Chairman and Founder, Non-independent Director
Qualifications	—	Dip REIA
Experience	—	Specialist experience in Class Order 02/273 and Section 708 of the Corporations Act, 2001
Interest in Shares and Options	—	Ordinary Shares: 49,642,800; Options: Nil
Mr Paul Morrell Niederer	—	Non-independent Director, Chief Executive Officer
Qualifications	—	B.Comm Accounting
Experience	—	Experience as CEO of ASX listed company and extensive business establishment and expansion experience with a passion for business start-ups
Interest in Shares and Options	—	Ordinary Shares: 401,333; Options: Nil
Directorships held in other listed entities during the three years prior to the current year	—	Former director of Pearl Healthcare (ASX:PHL)
Ms Susan Joan Williams	—	Non-Independent Director, Company Secretary
Qualifications	—	MAICD, CPA, ACSA, BA(Acc), MBA, Grad.Dip.App.Corp.Gov
Experience	—	Experience as CFO and Company Secretary of ASX listed company, extensive corporate finance governance and administration experience across diverse industries
Interest in Shares and Options	—	Ordinary Shares: 43,333; Options: Nil
Mr Christopher Patrick Tyrrell	—	Non-Executive Director - appointed 22 May 2013
Experience	—	Over 15 years' experience in entrepreneurship, technology and capital markets as well as extensive legal and financial experience
Interest in Shares and Options	—	Options: 28,900,000 - Indirect interest (being a manager of US Platform Development Group LLC, the option holder).

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

Mr Peter Stirling — Non-Independent Non-Executive Director - resigned 27 June 2013

Qualifications — B.Ec

Experience — Experience in journalism and media; Successful business start-up, growth and scale

Interest in Shares and Options — Ordinary Shares: 47,995,110; Options: Nil

Directorships held in other listed entities during the three years prior to the current year — Director of Pearl Healthcare (ASX:PHL)

Company Secretary

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

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

Meetings of Directors

During the financial year, 14 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Directors' Meetings		Audit		Nomination		Remuneration		Finance and Operations	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Anthony Puls	14	14	-	-	-	-	-	-	-	-
Mr Paul Morrell Niederer	14	13	-	-	-	-	-	-	-	-
Ms Susan Joan Williams	14	14	-	-	-	-	-	-	-	-
Mr Christopher Tyrrell	2	1	-	-	-	-	-	-	-	-
Mr Peter Stirling	13	13	-	-	-	-	-	-	-	-

Indemnifying Officers or Auditor

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

Options

At the date of this report, the unissued ordinary shares of Australian Small Scale Offerings Board Limited under option are as follows

Grant Date	Date of expiry	Exercise price	Number under option
30/06/2013	30/06/2018	\$0.0369	28,900,000
			<u>28,900,000</u>

Options holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity, however, the number of options will be adjusted to take into account any future issue of shares with the exception of 6 million that have been allowed in the subscription agreement for a future employee share scheme.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since the end of the reporting period.

Proceedings on Behalf of Company

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

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

Non-audit Services

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

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

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

The following fees were paid or payable to Rothsay for audit and non-audit services provided during the year ended 30 June 2013

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 10 of the Financial Report.

ASIC Class Order 98/100 Rounding of Amounts

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

REMUNERATION REPORT

Remuneration policy

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

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

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

Performance-based Remuneration

Incentive payments are made for profit and revenue related performance.

Relationship between Remuneration Policy and Company Performance

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

Performance Conditions Linked to Remuneration

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

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

Employment Details of Members of Key Management Personnel

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

	Position Held as at 30 June 2013 and any change during the year	Termination (where applicable)
Group KMP		
Mr Anthony Franz Lucien Puls	Chairman	Contract for training services
Mr Paul Morrell Niederer	Chief Executive Officer	Three (3) months' notice, or in lieu of notice, pay three (3) months' salary.
Ms Susan Joan Williams	Director and Secretary	One (1) month's notice, or in lieu of notice, pay one (1) month's fee.
Mr Christopher Patrick Tyrrell	Non-executive director	
Mr Peter Stirling	Non-independent, Non-executive Director	
Other Executives		
Ms Terrina Planincic	Legal Counsel	Three (3) months' notice, or in lieu of notice, pay three (3) months' salary.

Changes in Directors and Executives Subsequent to Year-end

There were no changes in Directors and Executives subsequent to year-end.

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

Remuneration Details for the Year Ended 30 June 2013

The following table of benefits and payments details, in respect to the 2013 and 2012 financial years, the components of remuneration for each member of KMP of the consolidated group:

Table of Benefits and Payments for the year ended 30 June 2013

	Short-term benefits				Post Employment Benefits		
	Salary, Fees and Leave \$	Profit Share and bonuses \$	Non-monetary \$	Other \$	Pension and superannuation \$	Other \$	
2013							
Group KMP							
Mr Anthony Franz							
Lucien Puls	5,538	-	-	-	199	-	
Mr Paul Morrell							
Niederer	128,423	13,080	-	-	11,558	-	
Ms Susan Joan Williams	-	-	-	-	-	-	
Mr Christopher Patrick Tyrrell	-	-	-	-	-	-	
Mr Peter Stirling	-	-	-	-	-	-	
Total KMP	133,961	13,080	-	-	11,757	-	
Other Executives							
Ms Terrina Planincic	86,985				7,559		
	Long-term benefits		Equity-settled share-based payments		Cash-settled share-based payments	Termination benefits	Total
	Incentive Plans \$	LSL \$	Shares/Units \$	Options/Rights \$	\$	\$	\$
2013							
Group KMP							
Mr Anthony Franz							
Lucien Puls	-	-	-	-	-	-	5,737
Mr Paul Morrell							
Niederer	-	-	-	-	-	-	153,061
Ms Susan Joan Williams	-	-	-	-	-	-	-
Mr Christopher Patrick Tyrrell	-	-	-	-	-	-	-
Mr Peter Stirling	-	-	-	-	-	-	-
Total KMP	-	-	-	-	-	-	158,798
Other Executives							
Ms Terrina Planincic							94,543
	Short-term benefits				Post Employment Benefits		
	Salary, Fees and Leave \$	Profit Share and bonuses \$	Non-monetary \$	Other \$	Pension and superannuation \$	Other \$	
2012							
Group KMP							
Mr Anthony Franz							
Lucien Puls	-	-	-	-	-	-	
Mr Paul Morrell							
Niederer	120,000	-	-	-	10,800	-	
Ms Susan Joan Williams	-	-	-	-	-	-	
Mr Peter Stirling	-	-	-	-	-	-	
Total KMP	120,000	-	-	-	10,800	-	
Other Executives							
Ms Terrina Planincic	71,665	-	-	-	6,450	-	

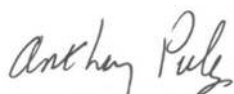
**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383 AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

	Long-term benefits		Equity-settled share-based payments		Cash-settled share-based payments	Termination benefits	Total
	Incentive Plans	LSL	Shares/Units	Options/Rights			
	\$	\$	\$	\$	\$	\$	\$
2012							
Group KMP							
Mr Anthony Franz							
Lucien Puls	-	-	-	-	-	-	-
Mr Paul Morrell							
Niederer	-	-	-	-	-	-	130,800
Ms Susan Joan Williams	-	-	-	-	-	-	-
Mr Peter Stirling							
	-	-	-	-	-	-	-
Total KMP	-	-	-	-	-	-	130,800
Other Executives							
Ms Terrina Planincic	-	-	-	-	-	-	78,115

Securities Received that are not Performance Related

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

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



.....
Mr Anthony Franz Lucien Puls

Dated: 30/09/2013

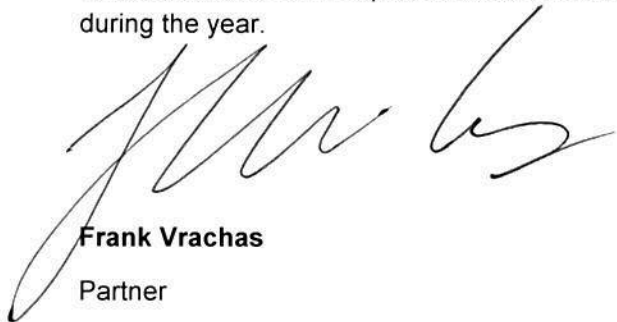


AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of Australian Small Scale Offerings Board Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Small Scale Offerings Board Limited and the entities it controlled during the year.



Frank Vrachas
Partner

Rothsay Chartered Accountants

Sydney, 30 September 2013

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated Group		Parent Entity	
	Note	2013 \$	2012 \$	2013 \$	2012 \$
Continuing operations					
Revenue	2	551,784	842,096	-	29
Other income	2	9,699	540	-	-
Employee benefits expense		(365,981)	(426,918)	-	-
Sales and marketing expenses		(6,965)	(25,588)	-	-
Bad Debts expense		(15,782)	(18,330)	-	-
Cost of sales		(26,950)	(41,244)	-	-
Occupancy costs		(67,959)	(74,015)	-	-
Legal expenses		-	(37,501)	-	-
Depreciation and amortisation expense		(40,384)	(39,240)	-	-
Finance costs		(44,849)	(37,512)	-	-
Other expenses		(259,860)	(349,663)	(109,693)	(94,719)
Professional Expenses		(43,337)	-	-	-
Profit before income tax	3	(310,584)	(207,375)	(109,693)	(94,690)
Tax expense	4	(14,941)	80,455	42,311	73,583
Net Profit for the year	3	(325,525)	(126,920)	(67,382)	(21,107)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		(325,525)	(126,920)	(67,382)	(21,107)
Net profit attributable to:					
Members of the parent entity		(325,525)	(126,920)	(67,382)	(21,107)
Non-controlling interest		-	-	-	-
		(325,525)	(126,920)	(67,382)	(21,107)
Total comprehensive income attributable to:					
Members of the parent entity		(325,525)	(126,920)	(67,382)	(21,107)
Non-controlling interest		-	-	-	-
		(325,525)	(126,920)	(67,382)	(21,107)
Earnings per share					
Basic earnings per share (cents)	7	(0.23)	(0.09)	N/A	N/A
Diluted earnings per share (cents)	7	(0.23)	(0.09)	N/A	N/A

The accompanying notes form part of these financial statements.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
	Note	\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	49,144	30,869	-	-
Trade and other receivables	9	691,416	86,428	673,222	28,951
Prepayment of costs in joint venture	14	6,400	-	-	-
TOTAL CURRENT ASSETS		746,960	117,297	673,222	28,951
NON-CURRENT ASSETS					
Other financial assets	10	-	-	100	100
Property, plant and equipment	12	36,623	52,010	-	-
Deferred tax assets	17	-	38,177	-	4,200
Intangible assets	13	78,679	99,260	-	-
Deposits held		-	26,208	-	-
TOTAL NON-CURRENT ASSETS		115,302	215,655	100	4,300
TOTAL ASSETS		862,262	332,952	673,322	33,251
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	15	236,101	153,120	28,300	14,000
Borrowings	16	60,000	35,000	-	-
Provisions	18	62,842	56,139	-	-
TOTAL CURRENT LIABILITIES		358,943	244,259	28,300	14,000
NON-CURRENT LIABILITIES					
Borrowings	16	456,501	454,002	451,641	577,975
Other provisions	18	4,710	6,750	-	-
TOTAL NON-CURRENT LIABILITIES		461,211	460,752	451,641	577,975
TOTAL LIABILITIES		820,154	705,011	479,941	591,975
NET ASSETS		42,108	(372,059)	193,381	(558,724)
EQUITY					
Issued capital	19	16,032,172	15,292,480	16,086,480	15,292,480
Reserves		-	-	-	-
Retained earnings		(15,990,064)	(15,664,539)	(15,893,099)	(15,851,204)
Parent interest		42,108	(372,059)	193,381	(558,724)
Non-controlling interest		-	-	-	-
TOTAL EQUITY		42,108	(372,059)	193,381	(558,724)

The accompanying notes form part of these financial statements.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Note	Ordinary Share Capital \$	Retained Earnings \$	Total \$
Consolidated Group				
Balance at 1 July 2011		15,292,480	(15,537,619)	(245,139)
Comprehensive income				
Profit for the year		-	(126,920)	(126,920)
Total comprehensive income for the year		-	(126,920)	(126,920)
Balance at 30 June 2012		15,292,480	(15,664,539)	(372,059)
Balance at 1 July 2012		15,292,480	(15,664,539)	(372,059)
Comprehensive income				
Profit for the year		-	(325,525)	(325,525)
Total comprehensive income for the year		-	(325,525)	(325,525)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year		794,000	-	794,000
Transaction costs		(54,308)	-	(54,308)
Total transactions with owners and other transfers		739,692	-	739,692
Balance at 30 June 2013		16,032,172	(15,990,064)	42,108

The accompanying notes form part of these financial statements.

	Note	Ordinary Share Capital \$	Retained Earnings \$	Total
Parent Entity				
Balance at 1 July 2011		15,292,480	(15,804,610)	(512,130)
Comprehensive income				
Profit for the year		-	(21,107)	(21,107)
Total comprehensive income for the year		-	(21,107)	(21,107)
Balance at 30 June 2012		15,292,480	(15,825,717)	(533,237)
Balance at 1 July 2012		15,292,480	(15,825,717)	(533,237)
Comprehensive income				
Profit for the year		-	(67,382)	(67,382)
Total comprehensive income for the year		-	(67,382)	(67,382)
Transactions with owners, in their capacity as owners and other transfer				
Shares issued during the year		794,000	-	794,000
Total transactions with owners and other transfers		794,000	-	794,000
Balance at 30 June 2013		16,086,480	(15,893,099)	193,381

The accompanying notes form part of these financial statements.

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated Group		Parent Entity	
	Note	2013	2012	2013	2012
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		556,456	836,563	-	-
Dividends received		-	-	-	-
Interest received		2,306	297	-	29
Other income		9,699	-	-	-
Payments to suppliers and employees		(740,038)	(879,501)	(95,393)	(93,719)
Finance costs		(28,053)	(37,512)	-	-
Income tax paid		54,438	72,524	54,438	72,524
Net cash provided by/(used in) operating activities	22a	(145,192)	(7,629)	(40,955)	(21,166)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from issue of shares		150,000	-	-	-
Purchase of property, plant and equipment		(14,034)	(31,925)	-	-
Purchase of other non-current assets		-	(6,097)	-	-
Net cash provided by/(used in) investing activities		153,548	(38,022)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan from related parties					
- payments made		(17,582)	-	-	-
- proceeds from borrowings		27,500	35,000	40,955	21,166
Net cash provided by/(used in) financing activities		9,918	35,000	40,955	21,166
Net increase/(decrease) in cash held		18,274	(10,651)	-	-
Cash and cash equivalents at beginning of financial year	8	30,869	41,520	-	-
Cash and cash equivalents at end of financial year	8	49,143	30,869	-	-

The accompanying notes form part of these financial statements.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

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

The financial statements were authorised for issue on 30 September 2013 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

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

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

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

Going concern

As at 30 June 2013 the group has incurred a loss of \$325,525 (2012: \$126,920) and net operating cash outflows of \$145,192 (2012: outflows of \$7,629). Notwithstanding the above, the financial report has been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors are of the opinion that the group will continue to be able to meet its obligations as they become due and payable over the next twelve months. In determining this basis, the Directors have had regard to the following:

- Funding received from additional equity raising with the US investors as detailed in Note 19 to this financial report;
- Newly implemented education and training program to increase number of issuers
- Employment of an in-house case manager to improve processing efficiencies
- Generating positive cash flows from its operational revenues;
- Continued support and funding from a director to provide funds as and when required;
- The raising of additional funds through issuing ordinary shares to supplement funding of working capital where required.

The Financial Report has therefore been prepared on the basis of a going concern. This basis presumes that funds from the above sources will be available to finance future operations, and to repay liabilities and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

However, the directors note that if sufficient funds are not raised through the abovementioned sources, the going concern basis may not be appropriate with the result that the company may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(a) Principles of Consolidation

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

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

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Subsidiaries

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

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

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Property, Plant and Equipment

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

Owned assets

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Leased assets

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

Subsequent costs

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Depreciation

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

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

(d) Leases

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

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

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

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

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

(e) Financial Instruments

Recognition and Initial Measurement

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

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

Classification and Subsequent Measurement

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

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

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

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

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

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) 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 subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The Group designates certain derivatives as either:

- (i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- (ii) hedges of highly probable forecast transactions (cash flow hedge).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the group's risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items are also documented.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in the hedge reserve in equity are transferred to profit or loss in the periods when the hedged item affects profit or loss.

Non-derivative financial instruments

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

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

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

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Share capital

(i) *Ordinary shares*

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

(ii) *Repurchase of share capital*

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

(iii) *Dividends*

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

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(f) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

Impairment of non-financial assets

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

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

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

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

(g) Intangibles Other than Goodwill

Computer Software

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

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

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

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

Other intangible assets

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

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

(i) Employee Benefits

Short-term benefits

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

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

Other long-term employee benefits

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

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

Termination benefits

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Equity-settled compensation

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

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

(j) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(l) Revenue and Other Income

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

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

(m) Trade and Other Receivables

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

(n) Trade and Other Payables

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

(o) Borrowing Costs

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

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(q) Government Grants

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

(r) Comparative Figures

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

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

(s) Rounding of Amounts

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

(t) Critical Accounting Estimates and Judgments

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Key Estimates

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

Significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty remain the same as those applied in the 2012 financial report.

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

- (i) *Note 13 - Intangible Assets*
- (ii) *Note 18 - Provisions*
- (iii) *Note 19 - Issued Capital*

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

(u) Change in Accounting Policy

The consolidated group has not changed any of its accounting during the financial year ended 30 June 2013.

(v) Earnings per Share

The Company presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) New Accounting Standards for Application in Future Periods

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

- AASB 9: *Financial Instruments (December 2010)* and AASB 2010–7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*.

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

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010–7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010–7 may have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide

- AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*), and AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable for annual reporting periods

AASB 10 replaces parts of AASB 127: *Consolidated and Separate Financial Statements* (March 2008, as amended) and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of "control" and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the Group's financial statements.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement).

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

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.

The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Group's financial statements.

— AASB 13: *Fair Value Measurement* and AASB 2011–8: *Amendments to Australian Accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

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

AASB 13 requires:

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

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

— 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).

This Standard makes amendments to AASB 124: *Related Party Disclosures* to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent *Corporations Act 2001* disclosure requirements.

This Standard is not expected to significantly impact the Group's financial report as a whole because:

- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011-4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011-4.

— AASB 119: *Employee Benefits (September 2011)* and AASB 2011–10: *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to the presentation and disclosure of defined benefit plans, including:

- removal of the "corridor" approach from AASB 119, thereby requiring entities to recognise all changes in a net defined benefit liability/(asset) when they occur; and
- disaggregation of changes in a net defined benefit liability/(asset) into service cost, net interest expense and remeasurements and recognition of:
 - service cost and net interest expense in profit or loss; and
 - remeasurements in other comprehensive income.

AASB 119 (September 2011) also includes changes to the criteria for determining when termination benefits should be recognised as an obligation.

The directors anticipate that the application of the amendments to AASB 119 will not have an impact of the Group's financial statements.

— AASB 2012–2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Group's financial statements.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

- AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Group’s financial statements.

- AASB 2012–5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009–2011 Cycle* by the International Accounting Standards Board, including:

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and
- AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
-
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members’ Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Group’s financial statements.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Note 2 Revenue and Other Income

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
(a) Revenue from continuing operations				
Sales revenue				
— sale of goods	-	-	-	-
— provision of services	549,478	841,829	-	-
	549,478	841,829	-	-
Other revenue				
— interest received	2,306	267	-	29
	2,306	267	-	29
Total revenue	551,784	842,096	-	29
Other income				
— other income	9,699	540	-	-
Total other income	9,699	540	-	-
Interest revenue from:				
— other persons	2,306	267	-	29
Total interest revenue on financial assets not at fair value through profit or loss	2,306	267	-	29

Note 3 Profit for the Year

	Note	Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		\$	\$	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:					
(a) Expenses					
Cost of sales		26,950	41,244	-	-
Interest expense on financial liabilities not at fair value through profit or loss:					
— Directors		24,531	19,478	-	-
— Related parties	24	15,864	3,966	-	-
— Other persons		4,454	14,068	-	-
Total finance cost		44,849	37,512	-	-
Occupancy costs		67,959	74,015	-	-
Employee benefits expense					
— defined contribution superannuation expense		25,749	31,406	-	-
Bad and doubtful debts:					
— trade receivables		15,782	18,330	-	-
Total bad and doubtful debts		15,782	18,330	-	-
Loss on disposal of property, plant and equipment		9,617	17,396	-	-

Note 4 Tax Expense

	Note	Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		\$	\$	\$	\$
(a) The components of tax (expense)/income comprise:					
Current tax		(46,511)	(61,310)	(46,511)	(54,438)
Deferred tax	17	-	(300)	-	(300)
Deferred tax not brought to account		61,452	-	4,200	-
Under provision in respect of prior years		-	(18,845)	-	(18,845)
		14,941	(80,455)	(42,311)	(73,583)
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:					
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2012:30%)					
— consolidated group		(93,175)	(62,213)		
— parent entity				(32,908)	(28,407)
Add:		-	-		
Tax effect of:					
— non taxable income/deductible expenses			(7,172)		(300)
— under provision for income tax in prior year		-	(18,845)	-	(18,845)

AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Less:

Tax effect of:

— R & D income tax refund	(46,511)	(54,438)	(46,511)	(54,438)
— Tax losses not brought to account	93,175	62,213	32,908	28,407
— Deferred tax not brought to account	61,452	-	4,200	-
Income tax attributable to entity	14,941	(80,455)	(42,311)	(73,583)

The applicable weighted average effective tax rates are as follows: -4.8% 38.8% 38.6% 77.7%

The deferred tax asset was not recognised for the year ended 30 June 2013 as it is considered not probable that the taxable profit will be available against which the deductible temporary difference can be utilised. As such, there are unused tax assets in the above tax note that will be recognised once future profits are probable.

Note 5 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2013.

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

	2013	2012
	\$	\$
Short-term employee benefits	158,798	120,000
Post-employment benefits	11,757	10,800
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total KMP compensation	170,555	130,800

KMP Options and Rights Holdings

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

	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
30 June 2013								
Mr Anthony Franz Lucien Puls	-	-	-	-	-	-	-	-
Mr Paul Morrell Niederer	-	-	-	-	-	-	-	-
Ms Susan Joan Williams	-	-	-	-	-	-	-	-
Mr Christopher Patrick Tyrrell	-	28,900,000	-	-	28,900,000	-	-	-
Mr Peter Stirling	-	-	-	-	-	-	-	-
	-	28,900,000	-	-	28,900,000	-	-	-
30 June 2012								
Mr Anthony Franz Lucien Puls	-	-	-	-	-	-	-	-
Mr Paul Morrell Niederer	-	-	-	-	-	-	-	-
Ms Susan Joan Williams	-	-	-	-	-	-	-	-
Mr Christopher Patrick Tyrrell	-	-	-	-	-	-	-	-
Mr Peter Stirling	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

KMP Shareholdings

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

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2013					
Mr Anthony Franz Lucien Puls	49,642,800	-	-	-	49,642,800
Mr Paul Morrell Niederer	401,333	-	-	-	401,333
Ms Susan Joan Williams	43,333	-	-	-	43,333
Mr Christopher Patrick Tyrrell	-	-	-	-	-
Mr Peter Stirling	47,995,110	-	-	-	47,995,110
	<u>98,082,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,082,576</u>

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2012					
Mr Anthony Franz Lucien Puls	49,642,800	-	-	-	49,642,800
Mr Paul Morrell Niederer	401,333	-	-	-	401,333
Ms Susan Joan Williams	43,333	-	-	-	43,333
Mr Christopher Patrick Tyrrell	-	-	-	-	-
Mr Peter Stirling	47,995,110	-	-	-	47,995,110
	<u>98,082,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,082,576</u>

Other KMP Transactions

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

For details of other transactions with KMP, refer to Note 24: Related Party Transactions.

For details of loans to KMP, refer to Note 24: Related Party Transactions.

Note 6 Auditors' Remuneration

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
Remuneration of the auditor for:				
— auditing or reviewing the financial report	14,000	14,000	14,000	14,000
	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>
Remuneration of other auditors of subsidiaries for:				
— auditing or reviewing the financial statements of subsidiaries	-	-	-	-

Note 7 Earnings per Share

	Consolidated Group	
	2013	2012
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Profit	(325,525)	(126,920)
Profit attributable to non-controlling equity interest		
Redeemable and converting preference share dividends		
Earnings used to calculate basic EPS	<u>(325,525)</u>	<u>(126,920)</u>
Dividends on converting preference shares		
Earnings used in the calculation of dilutive EPS	<u>(325,525)</u>	<u>(126,920)</u>
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	141,963,965	140,678,898
Weighted average number of dilutive options outstanding	79,178	-
Weighted average number of dilutive converting preference shares on issue		
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>142,043,143</u>	<u>140,678,898</u>

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Note 8 Cash and Cash Equivalents

	Note	Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		\$	\$	\$	\$
Cash at bank and on hand		49,144	30,869	-	-
Short-term bank deposits		-	-	-	-
	25	49,144	30,869	-	-

Reconciliation of cash

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

Cash and cash equivalents	49,144	30,869	-	-
	49,144	30,869	-	-

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 16 for further details.

Note 9 Trade and Other Receivables

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
CURRENT				
Trade receivables	18,194	31,990	-	-
Provision for impairment	-	-	-	-
	18,194	31,990	-	-
Unpaid capital receivable	626,711	-	626,711	-
— Income Tax Receivable	46,511	54,438	46,511	28,951
Total current trade and other receivables	691,416	86,428	673,222	28,951

Credit risk

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

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

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

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
	\$	\$	\$	\$	\$	\$	\$
2013							
Trade and term receivables	18,194	-	2,936	79	-	15,179	2,936
Other receivables	673,222	-	626,711	-	-	46,511	N/A
Total	691,416	-	629,647	79	-	61,690	2,936
Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
	\$	\$	\$	\$	\$	\$	\$
2012							
Trade and term receivables	31,990	-	6,412	2,500	1,100	21,978	6,412
Other receivables	54,438	-	54,438	-	-	-	N/A
Total	86,428	-	60,850	2,500	1,100	21,978	6,412

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Parent Entity	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2013							
Trade and term receivables	-	-	-	-	-	-	-
Other receivables	673,222	-	626,711	-	-	46,511	N/A
Total	673,222	-	626,711	-	-	46,511	-

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

	Note	Consolidated Group		Parent Entity	
		2013 \$	2012 \$	2013 \$	2012 \$
(a) Financial Assets Classified as Loans and Receivables					
Trade and other Receivables					
— Total current		691,416	86,428	673,222	28,951
— Total non-current		-	-	-	-
		691,416	86,428	673,222	28,951
Less construction contracts in progress					
Financial assets	25	691,416	86,428	673,222	28,951

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

Note 10 Other Financial Assets

	Consolidated Group		Parent Entity	
	2013 \$	2012 \$	2013 \$	2012 \$
(a) Other investments				
NON CURRENT				
Shares in subsidiaries	-	-	100	100
Shares in associates	-	-	-	-
Shares in joint venture entities	-	-	-	-
	-	-	100	100

Note 11 Controlled Entities

(a) **Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)*	
		2013	2012
Subsidiaries of Australian Small Scale Offerings Board Limited :			
ASSOB Pty Ltd	Australia	100.00	100.00
Springboard Equity Pty Ltd	Australia	100.00	100.00
Unlisted Services Pty Ltd	Australia	100.00	100.00
ASSOB Custodian Pty Ltd	Australia	100.00	100.00

* Percentage of voting power is in proportion to ownership

(b) **Acquisition of Controlled Entities**

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

(c) **Disposal of Controlled Entities**

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

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

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Note 12 Property, Plant and Equipment

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
PLANT AND EQUIPMENT				
Plant and equipment:				
At cost	72,024	125,278	-	-
Accumulated depreciation	(35,401)	(73,268)	-	-
Accumulated impairment losses	-	-	-	-
	<u>36,623</u>	<u>52,010</u>	<u>-</u>	<u>-</u>
Total plant and equipment	<u>36,623</u>	<u>52,010</u>	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>36,623</u>	<u>52,010</u>	<u>-</u>	<u>-</u>

(a) Movements in Carrying Amounts

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

	Plant and Equipment \$	Total \$
Consolidated Group:		
Balance at 1 July 2011	62,358	62,358
Additions	22,268	22,268
Disposals	(17,514)	(17,514)
Depreciation expense	(15,102)	(15,102)
Balance at 30 June 2012	<u>52,010</u>	<u>52,010</u>
Additions	6,047	6,047
Disposals	(9,735)	(9,735)
Depreciation expense	(11,699)	(11,699)
Balance at 30 June 2013	<u>36,623</u>	<u>36,623</u>

Note 13 Intangible Assets

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
Goodwill				
Cost	3,202,448	3,202,448	-	-
Accumulated impaired losses	(3,202,448)	(3,202,448)	-	-
Net carrying amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Website at cost	177,203	169,217	-	-
Accumulated amortisation	(99,593)	(71,382)	-	-
Net carrying amount	<u>77,610</u>	<u>97,835</u>	<u>-</u>	<u>-</u>
Formation Costs	1,781	1,781	-	-
Accumulated amortisation	(712)	(356)	-	-
Net carrying amount	<u>1,069</u>	<u>1,425</u>	<u>-</u>	<u>-</u>
Total intangibles	<u>78,679</u>	<u>99,260</u>	<u>-</u>	<u>-</u>

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Consolidated Group:

	Goodwill \$	Website at Cost \$	Formation Costs \$	Total \$
Year ended 30 June 2012				
Balance at the beginning of year	-	94,445	-	94,445
Additions	-	27,054	1,781	28,835
Amortisation charge	-	(23,664)	(356)	(24,020)
	-	97,835	1,425	99,260
Year ended 30 June 2013				
Balance at the beginning of year	-	97,835	1,425	99,260
Additions	-	7,986	-	7,986
Amortisation charge	-	(28,211)	(356)	(28,567)
Closing value at 30 June 2013	-	77,610	1,069	78,679

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

Note 14 Other Assets

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
CURRENT				
Prepayment of costs in joint venture	6,400	-	-	-
	6,400	-	-	-

Note 15 Trade and Other Payables

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Trade payables	89,594	94,513	14,300	-
Sundry payables and accrued expenses	101,066	-	-	-
— Interest bearing liabilities	18,897	18,048	-	-
— Other payable	26,544	40,559	14,000	14,000
	236,101	153,120	28,300	14,000

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
Note				
(a) Financial liabilities at amortised cost classified as trade and other payables				
Trade and other payables				
— Total current	236,101	153,120	28,300	14,000
— Total non-current	-	-	-	-
	236,101	153,120	28,300	14,000
Less: construction contract advances and payables				
Less: other payables (net amount of GST payable)				
Financial liabilities as trade and other payables	236,101	153,120	28,300	14,000

Note 16 Borrowings

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
CURRENT				
Loans from current and former shareholders	60,000	35,000	-	-
Total current borrowings	60,000	35,000	-	-
NON-CURRENT				
Unsecured liabilities				
Loans from controlled entities	-	-	451,641	577,975
Loans from current and former shareholders	307,198	304,699	-	-
Other non-current loans	149,303	149,303	-	-
Total non-current borrowings	456,501	454,002	451,641	577,975

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Note 17 Tax

CURRENT

Income tax payable

Consolidated Group		Parent Entity	
2013	2012	2013	2012
\$	\$	\$	\$
-	-	-	-
-	-	-	-

NON-CURRENT

Consolidated Group

Deferred tax liability

Property, Plant and Equipment

- tax allowance

Balance at 30 June 2013

Opening Balance \$	Charged to Income \$	Charged directly to Equity \$	Changes in Tax Rate \$	Exchange Differences \$	Closing Balance \$
-	-	-	-	-	-
-	-	-	-	-	-

Deferred tax assets

Provisions

Property, plant and equipment

- impairment

Tax bases without an asset carrying amount

Balance at 30 June 2012

13,480	-	24,697	-	-	38,177
(8,983)	-	8,983	-	-	-
40,252	-	(40,252)	-	-	-
44,749	-	(6,572)	-	-	38,177

Provisions

Transaction costs on equity issue

Tax bases without an asset carrying amount

Balance at 30 June 2013

38,177	(38,177)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
38,177	(38,177)	-	-	-	-

Parent Entity

Provisions

Balance as at 30 June 2012

Opening Balance \$	Charged to Income \$	Charged directly to Equity \$	Changes in Tax Rate \$	Exchange Differences \$	Closing Balance \$
3,900	-	300	-	-	4,200
3,900	-	300	-	-	4,200

Provisions

Balance as at 30 June 2013

4,200	(4,200)	-	-	-	-
4,200	(4,200)	-	-	-	-

Note 18 Provisions for Employee Benefits

CURRENT

Short-term Employee Benefits (Annual Leave)

Opening balance at 1 July 2012

Additional provisions

Amounts used

Balance at 30 June 2013

Consolidated Group		Parent Entity	
2013	2012	2013	2012
\$	\$	\$	\$
56,139	36,250	-	-
6,703	23,937	-	-
-	(4,049)	-	-
62,842	56,139	-	-

NON CURRENT

Long-term Employee Benefits (Long service leave)

Opening balance at 1 July 2012

Additional provisions

Unused amounts reversed

Balance at 30 June 2013

Consolidated Group		Parent Entity	
2013	2012	2013	2012
\$	\$	\$	\$
6,750	3,612	-	-
-	3,138	-	-
(2,040)	-	-	-
4,710	6,750	-	-

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Analysis of Total Provisions

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
Current	62,842	56,139	-	-
Non-current	4,710	6,750	-	-
	<u>67,552</u>	<u>62,889</u>	<u>-</u>	<u>-</u>

Provision for Long-term Employee Benefits

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

Note 19 Issued Capital

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
Fully paid ordinary shares	16,086,480	15,292,480	16,086,480	15,292,480
Less: costs associated with raising share capital	(54,308)	-	-	-
	<u>16,032,172</u>	<u>15,292,480</u>	<u>16,086,480</u>	<u>15,292,480</u>

The company has authorised share capital amounting to 177,650,001 ordinary shares.

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	No.	No.	No.	No.
(a) Ordinary Shares				
At the beginning of the reporting period	140,678,948	140,678,948	140,678,948	140,678,948
Shares issued during the year				
— 25/07/2012	421,053	-	421,053	-
— 22/05/2013	7,407,750	-	7,407,750	-
— 30/06/2013	29,142,250	-	29,142,250	-
At the end of the reporting period	<u>177,650,001</u>	<u>140,678,948</u>	<u>177,650,001</u>	<u>140,678,948</u>

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

On 25 July 2012 an invoice of \$8,000 was converted into 421,053 fully paid ordinary shares.

On 22 May 2013 Australian Small Scale Offerings Board Ltd issued 7,407,750 fully paid ordinary shares at an issue price of \$0.0215

per share to Nehemiah Interests LLC, raising \$159,302. In addition to this, another 29,142,250 fully paid ordinary shares were issued

on 30 June 2013 at \$0.0215 per share to Nehemiah Interests LLC. This issue raised an additional \$626,698.

(b) Options

- (i) Australian Small Scale Offerings Board issued 28,900,000 options to US Platform Development Group LLC on 30 June 2013. These options expire on 30 June 2018 at an exercise price of \$0.0369.

(c) Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, redeemable preference shares, convertible preference shares and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		\$	\$	\$	\$
Total borrowings	15, 16	752,602	642,122	479,941	591,975
Less cash and cash equivalents	8	(49,144)	(30,869)	-	-
Net debt		<u>703,458</u>	<u>611,253</u>	<u>479,941</u>	<u>591,975</u>
Total equity		<u>42,108</u>	<u>(372,059)</u>	<u>193,381</u>	<u>(558,724)</u>
Total capital		<u>745,566</u>	<u>239,194</u>	<u>673,322</u>	<u>33,251</u>
Gearing ratio		94%	256%	71%	1780%

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Note 20 Contingent Liabilities and Contingent Assets

There were no contingent liabilities at the date of this report.

Note 21 Operating Segments

General Information

(a) Description of segments

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

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

(b) Basis of accounting

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

(c) Entity-wide disclosures

The group derives revenue from services and interest from Australia, the entity's main country of domicile. The group's non-current assets are all held in Australia. The group has no major customer.

Note 22 Cash Flow Information

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax				
Profit after income tax	(325,525)	(126,920)	(67,382)	(21,107)
Non-cash flows in profit				
Amortisation	356	356	-	-
Depreciation	40,028	38,884	-	-
Net (gain)/loss on disposal of property, plant and equipment	9,617	-	-	-
Transfer of debt to equity		-	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
Increase/(decrease) in trade and term receivables	14,163	(12,859)	367	(759)
Increase/(decrease) in prepayments	-	-	-	-
Increase/(decrease) in other assets	26,209	-	-	-
(Increase)/decrease in trade payables and accruals	(6,257)	30,617	14,300	-
(Increase)/decrease in other payables and accruals	-	29,622	-	1,000
(Increase)/decrease in income taxes payable	96,759	-	-	-
(Increase)/decrease in deferred taxes payable	-	-	-	-
(Increase)/decrease in deferred taxes receivable	45,737	6,572	11,760	(300)
(Increase)/decrease in provisions	(46,279)	26,099	-	-
Cash flow from operations	<u>(145,192)</u>	<u>(7,629)</u>	<u>(40,955)</u>	<u>(21,166)</u>

Note 23 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

The unpaid capital receivable of \$626,711 which is shown as a receivable as at 30 June 2013 was received in July 2013.

Note 24 Related Party Transactions

Related Parties

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

i. Entities exercising control over the Group:

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

ii. Key Management Personnel:

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

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

For details of disclosures relating the key management personnel loans, refer to (i) and (ii) of this Note.

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

iii. **Entities subject to significant influence by the Group:**

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

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

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

v. **Other Related Parties**

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

(d) Amounts payable to related parties

Trade and Other Payables

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

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
i. Loans from Other Key Management Personnel Related Entities				
Beginning of the year	339,698	304,698	-	-
Loans advanced	27,500	35,000	-	-
Loan repayment received	-	-	-	-
Interest charged	24,531	19,478	-	-
Interest received	(24,531)	(19,478)	-	-
End of the year	367,198	339,698	-	-
ii. Loans from Other Related Parties				
Beginning of the year	149,303	149,303	-	-
Interest charged	15,864	3,966	-	-
Interest received	(15,864)	(3,966)	-	-
End of the year	149,303	149,303	-	-

Note 25 Financial Risk Management

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

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

	Note	Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	8	49,144	30,869	-	-
Loans and receivables	9	691,416	86,428	673,222	28,951
Total Financial Assets		740,560	117,297	673,222	28,951
Financial Liabilities					
Financial liabilities at amortised cost					
— Trade and other payables	15	236,101	153,120	28,300	14,000
— Borrowings	16	516,501	489,002	451,641	577,975
Total Financial Liabilities		752,602	642,122	479,941	591,975

Financial Risk Management Policies

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

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

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Specific Financial Risk Exposures and Management

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

a. Credit risk

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

Credit Risk Exposures

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

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

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographic basis, the Group has significant credit risk exposures to Australia and the United Kingdom given the substantial operations in those regions. Details with respect to credit risk of Trade and Other Receivables is provided in Note 9.

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

b. Liquidity risk

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

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

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

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

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

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 3 years		Over 3 years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Consolidated Group	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	236,099	153,120	-	-	-	-	236,099	153,120
Borrowings - principal	60,000	35,000	456,503	454,002	-	-	516,503	489,002
Borrowings - interest	6,000	3,500	45,650	45,400	-	-	51,650	48,900
Total contractual outflows	302,099	191,620	502,153	499,402	-	-	804,252	691,022
Less bank overdrafts							-	-
Total expected outflows	302,099	191,620	502,153	499,402	-	-	804,252	691,022

c. Market Risk

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

i. Interest rate risk

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

ii. Currency risk

The group is not exposed to currency risk.

Fair Values

Fair value estimation

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

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ACN: 109 469 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

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

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

	Note	2013		2012	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Consolidated Group					
Financial assets					
Cash and cash equivalents	(i)	49,144	49,144	30,869	30,869
Trade and other receivables	(i)	644,905	644,905	31,990	31,990
Income tax receivable	(iii)	46,511	46,511	54,438	28,951
Total financial assets		740,560	740,560	117,297	91,810
Financial liabilities					
Trade and other payables	(i)	236,101	236,101	153,120	153,120
Borrowings	(vii)	516,501	516,501	489,002	489,002
Total financial liabilities		752,602	752,602	642,122	642,122
	Footnote	2013		2012	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Parent Entity					
Financial assets					
Trade and other receivables	(i)	626,711	626,711	-	-
Income tax receivable	(iii)	46,511	46,511	28,951	28,951
Total financial assets		673,222	673,222	28,951	28,951
Financial liabilities					
Trade and other payables	(i)	28,300	-	14,000	-
Total financial liabilities		28,300	-	14,000	-

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

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

Note 26 Company Details

The registered office of the company is:
Australian Small Scale Offerings Board Limited
Suite 14 Riverwalk Place
2 Waterfront Place
Robina QLD 4226

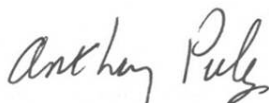
The principal places of business are:
Australian Small Scale Offerings Board Limited
Suite 14 Riverwalk Place
2 Waterfront Place
Robina QLD 4226

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

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

1. the financial statements and notes, as set out on pages 11 to 36, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer.

Director



Mr Anthony Franz Lucien Puls

Dated this 30th day of September 2013



INDEPENDENT AUDITOR'S REPORT

To the members of Australian Small Scale Offerings Board Limited

Report on the Financial Report

We have audited the accompanying financial report of Australian Small Scale Offerings Board Limited and Controlled entities, which comprises the consolidated statement of financial position as at 30 June 2013, 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 AASB 101 *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 about 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.



Chartered Accountants

Level 1, 12 O'Connell Street, Sydney NSW 2000
GPO Box 542, Sydney NSW 2001
Phone: (02) 8815 5400 Fax: (02) 8815 5401

ABN: 59 087 479 410



Liability Limited
by a scheme approved
under Professional
Standards Legislation

Independence

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

Opinion

In our opinion:

- (a) the financial report of Australian Small Scale Offerings Board Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated company incurred a net loss of \$325,525 (2012: \$126,920) and net operating cash outflows of \$145,192 (2012: outflows of \$7,629) for the financial year ended 30 June 2013. These conditions, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

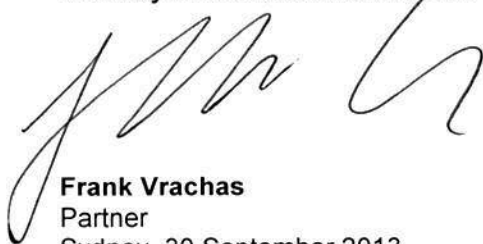
Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 9 of the directors' report 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 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 Small Scale Offerings Board Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

Rothsay Chartered Accountants



Frank Vrachas
Partner

Sydney, 30 September 2013