

IFORM: Half yearly/preliminary final report

Name of *issuer*

Australian Small Scale Offerings Board Limited

ACN or ARBN

109 469 383

Half ~~yearly~~
(tick)

Preliminary
final (tick)

✓

Half year/financial year ended
(‘Current period’)

30 June 2014

For announcement to the market

Extracts from this statement for announcement to the market (*see note 1*).

				\$A,000
Revenue (<i>item 1.1</i>)	down	45%	to	306
Profit (loss) for the period (<i>item 1.6</i>)	down	38%	to	(449)
Profit (loss) for the period attributable to members of the parent (<i>item 1.8</i>)	down	38%	to	(449)
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

Consolidated income statement *(The figures are not equity accounted)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1)</i>	306	561
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(733)	(827)
1.3 Finance costs	(46)	(45)
1.4 Profit (loss) before income tax	(473)	(311)
1.5 Income tax expense <i>(see note 4)</i>	24	(15)
1.6 Profit (loss) for the period	(449)	(326)
1.7 Profit (loss) attributable to minority interests	-	-
1.8 Profit (loss) attributable to members of the parent	(449)	(326)
1.9 Basic earnings per security <i>(item 9.1)</i>	(0.25) cents	(0.23) cents
1.10 Diluted earnings per security <i>(item 9.1)</i>	(0.22) cents	(0.23) cents
1.11 Dividends per security <i>(item 9.1)</i>	-	-

Comparison of half-year profits*(Preliminary final statement only)*

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(236)	(113)
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	(213)	(213)

Consolidated balance sheet

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	74	49
3.2	Trade and other receivables	92	697
3.3	Other current assets (provide details if material)	-	-
3.4	Total current assets	166	746
Non-current assets			
3.5	Deferred tax assets	-	-
3.6	Property, plant and equipment (net)	26	37
3.7	Other intangible assets	44	79
3.8	Other (provide details if material)	-	-
3.9	Total non-current assets	70	116
3.10	Total assets	236	862
Current liabilities			
3.11	Trade and other payables	148	236
3.12	Short term borrowings	-	60
3.13	Current tax payable	-	-
3.14	Short term provisions	44	63
3.15	Other current liabilities (provide details if material)	-	-
3.16	Total current liabilities	192	359
Non-current liabilities			
		Current period - \$A'000	Previous corresponding period - \$A'000
3.17	Long-term borrowings	456	456
3.18	Deferred tax liabilities	-	-
3.19	Long term provisions	9	5
3.20	Total non-current liabilities	465	461
3.21	Total liabilities	657	820
3.22	Net assets	(421)	42
Equity			
3.23	Share capital	16,018	16,032
3.24	Retained earnings	(16,439)	(15,990)
3.25	Total equity	(421)	42

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$'000	Previous corresponding period – A\$'000
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit for the period	(449)	(326)
4.3 Total recognised income and expense for the period		
Attributable to:		
4.4 Members of the parent	(449)	(326)

Consolidated statement of cash flows

(as per AASB 107: Cash Flow Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
5.1 Receipts from customers	315	566
5.2 Payments to suppliers and employees	(820)	(740)
5.3 Interest and other costs of finance paid	(58)	(28)
5.4 Income taxes paid	47	55
5.5 Other (provide details if material)	6	2
5.6 Net cash used in operating activities	(510)	(145)
Cash flows related to investing activities		
5.7 Payments for purchases of property, plant and equipment	(11)	(14)
5.8 Net cash used in investing activities	(11)	(14)
Cash flows related to financing activities		
5.10 Proceeds from borrowings	-	27
5.11 Repayment of borrowings	(60)	-
5.12 Costs of raising capital	(20)	-
5.13 Proceeds from issue of shares	626	150
5.14 Net cash used in financing activities	546	177
Net increase (decrease) in cash and cash	25	18

	equivalents		
5.15	Cash at beginning of period (see <i>Reconciliations of cash</i>)	49	31
5.16	Cash at end of period (see <i>Reconciliation of cash</i>)	74	49

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: *Cash Flow Statements*)

		Current period \$A'000	Previous corresponding period \$A'000
6.1	Profit (<i>item 1.8</i>)	(449)	(325)
	Adjustments for:		
6.2	Depreciation	56	40
6.3	Net (gain)/loss on disposal of property, plant & equipment	-	10
6.4	Transfer of debt to equity	-	5
6.5	(Increase)/decrease in trade and other receivables	16	14
6.6	(Increase)/decrease in other assets	(47)	26
6.7	(Increase)/decrease in deferred tax asset		45
6.8	Increase/(decrease) in trade and other payables	(61)	(6)
6.9	Increase/(decrease) in provisions	(25)	46
6.10	Net cash from operating activities (<i>item 5.6</i>)	(510)	(145)

Notes to the financial statements

Details of revenues and expenses

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000
	Revenue		
	Revenue from ordinary activities	290	551
	Other income	16	10
7.1	Total Revenue	306	561
	Expenses		
	Bad debts expense	(15)	(16)
	Employee benefits expense	(326)	(366)
	Depreciation and amortisation expenses	(55)	(40)
	Sales and marketing expenses	(4)	(7)
	Cost of sales	(3)	(27)
	Occupancy costs	(52)	(68)
	Other expenses	(278)	(303)
	Financial expenses	(46)	(45)
7.2	Total Expenses	(779)	(872)
	Profit (loss) before tax	(473)	(311)

Ratios

		Current period	Previous corresponding period
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax <i>(item 1.4)</i> as a percentage of revenue <i>(item 1.1)</i>	(154.51)%	(55.44)%
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to members <i>(item 1.11)</i> as a percentage of equity (similarly attributable) at the end of the period <i>(item 3.25)</i>	(106.60)%	(773.07)%

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

<i>Weighted average number of ordinary shares used in the calculation of:</i>		
	2014	2013
Basic EPS:	177,650,001	141,963,965
Diluted EPS:	206,550,001	142,043,143
28,900,000 dilutive financial instruments were on issue as of 30 June 2014.		

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid- up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
10.1	Ordinary securities <i>(description)</i>					
10.2	Balance at start of period	177,650,001	177,650,001		16,086	16,086
10.3	a) Increases through issues	-	-		-	-
10.4	b) Decreases through returns of capital, buybacks etc.	-	-		-	-
10.5	Balance at end of period	177,650,001	177,650,001	Fully Paid up	16,086	15,292
10.6	Total Securities	177,650,001	177,650,001	Fully Paid up	16,086	15,292

	Retained earnings		
10.7	Balance at start of period		(15,990)
10.10	Profit for the balance		(449)
10.13	Balance at end of period		(16,439)

Reports for industry and geographical 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.

		Current period - \$A'000	Previous corresponding period - \$A'000
	Segments		
	Revenue:		
19.1	External sales	306	561
19.2	Inter-segment sales	-	-
19.3	Total (consolidated total equal to <i>item 1.1</i>)	306	561
19.4	Segment result	-	-
19.5	Unallocated expenses	-	-
19.6	Operating profit (equal to <i>item 1.4</i>)	(473)	(266)
19.7	Interest expense	(46)	(45)
19.8	Interest income		
19.9	Share of profits of associates		
19.10	Income tax (expense) /refund	24	(15)
19.11	Net profit (consolidated total equal to <i>item 1.8</i>)	(449)	(326)
	Other information		
19.12	Segment assets	236	862
19.13	Investments in equity method associates	-	-
19.14	Unallocated assets	-	-
19.15	Total assets (equal to <i>item 3.10</i>)	236	862
19.16	Segment liabilities	657	820
19.17	Unallocated liabilities	-	-
19.18	Total liabilities (equal to <i>item 3.21</i>)	657	820
19.19	Capital expenditure	(10)	(14)
19.20	Depreciation	(55)	(40)
19.21	Other non-cash expenses	-	-

NTA Backing

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(0.22) cents	(0.02) cents

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report.

As at 30 June 2014 the group has incurred a loss of \$449,668 (2013: \$325,525) and net operating cash outflows of \$510,565 (2013: outflows of \$145,192). 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:

- Newly implemented national roll out of "Regional Funding Hubs" that provides training and customisation income;
- Regional Finding Hubs will also provide new deal flow and increases the number of issuers;
- Continual focus on matching operational income and outgoing to achieve positive cash flows; and
- Continued support and funding from its directors to provide funds as and when 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 Preliminary Financial Report.

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

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Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place

Suite 1401, Level 14, The Rocket
203 Robina Town Centre Drive
Robina QLD 4230

Date

25 November 2014

Time

2.00 PM EST

Approximate date the annual report will be available

19 September 2014

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

N/A

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

- ☐ The financial statements have been audited.
- ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☒ The financial statements are in the process of being audited or subject to review.
- ☐ The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications will follow immediately they are available. (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The *issuer* does not have a formally constituted audit committee.

Sign here: 
(Director/Company secretary)

Date: 11 September 2014

Print name: Susan Williams