

**LIXI Limited**  
(a company limited by guarantee)  
ABN 53 095 299 835

**Financial Report**  
**Year Ended 30<sup>th</sup> June 2013**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**Directors' Report**

Your directors present this report on the entity for the financial year ended 30 June 2013.

**Directors**

The names of each person who has been a director during the year and to the date of this report are:

Mr John Hearne  
Mr Mike Thanos (resigned 22 July 2012)  
Mr Phillip Naylor  
Mr Martyn Beer  
Mr James Sheffield  
Mr Jason Millett  
Mr John McDonald  
Mr Paul Lahiff  
Mr Matt Lawler  
Mr Milton Chan  
Mr Glenn Haslam (appointed 3 Oct 2012)

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

**Principal Activities**

The principal activities of the company during the year were the development of standards for financial transactions.

The entity's short term objectives are to:

- Develop standards for financial transactions

The entity's long term objectives are to:

- to facilitate business-to-business exchange of information in the lending industry, with particular reference to mortgage lending;
- to develop and adopt standards relevant to the lending industry and to promote their use by members, and other participants in the lending industry;
- to undertake research in connection with business-to-business exchange of information and its application to the lending industry; and
- to educate members and other participants in the lending industry in the use of standards and related technologies.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

To achieve these objectives the entity has adopted the following strategies:

- continuing engagement with members through various forums to provide and enhance a collaborative environment for the specification of standards and facilitation and promotion of their adoption;
- developing standards that conform to member requirements;
- undertaking research on relevant subjects for distribution to our members; and
- conducting training on the use of standards and related technology.

**Information on Current Directors**

Mr John Hearne	Director
Qualifications	MBus
Experience	Head of Information & Knowledge Services, QBE
Special Responsibilities	Chair of the Communications sub-committee
Mr Phillip Naylor	Director
Qualifications	B Comm
Experience	CEO, MFAA
Special Responsibilities	Company Secretary, Member of the Communications sub-committee
Mr Martyn Beer	Director
Qualifications	B.Bus
Experience	Lending Solutions Group Manager, Sandstone
Special Responsibilities	Chair of the Technical sub-committee
Mr James Sheffield	Director
Qualifications	
Experience	General Manager, Mortgage Wealth, CBA
Special Responsibilities	Member of the Communications sub-committee
Mr Jason Millett	Director
Qualifications	BA, MBA, AICD
Experience	Global Head of Technology, Billabong
Special Responsibilities	Member of the Intellectual Property sub-committee, Member of Technical sub-committee
Mr John McDonald	Director
Qualifications	BEc, ACA
Experience	CFO, Aussie Home Loans
Special Responsibilities	Member of the Business sub-committee
Mr Paul Lahiff	Director
Qualifications	BSc, FFINSIA, FAIM, MAICD
Experience	Company Director
Special Responsibilities	Chairman, Member of the Business sub-committee

**LIXI LIMITED**  
**53 095 299 835**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

Mr Matt Lawler	Director
Experience	CEO, Yellow Brick Road
Special Responsibilities	Member of the Business sub-committee, Member of the Intellectual Property sub-committee
Mr Milton Chan	Director
Qualifications	BComm, BBusSys
Experience	Head of Technology, NAB Growth Partnerships
Special Responsibilities	Member of Technical sub-committee
Mr Glenn Haslam	Director
Qualifications	MBA
Experience	General Manager, ANZ Bank
Special Responsibilities	Member of the Business sub-committee

**Meetings of Directors**

During the financial year, 8 meetings of directors were held. Attendances by each director were as follows:

<u>Director</u>	<u>Meetings eligible to attend</u>	<u>Meetings attended</u>
John Hearne	8	7
Mike Thanos	1	0
Phillip Naylor	8	6
Martyn Beer	8	6
James Sheffield	8	7
Jason Millett	8	6
John McDonald	8	7
Paul Lahiff	8	8
Matt Lawler	8	5
Milton Chan	8	6
Glenn Haslam	6	6

**Guarantee**

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each toward meeting any outstanding obligations of the entity. At 30 June 2013 the collective liability of members was \$700.


**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 14 of the financial report.

LIXI LIMITED  
53 095 299 835

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

Signed in accordance with a resolution of the Board of Directors.

Signed: 

Name of Director: PAUL CAHIFF

Signed: 

Name of Director: JOHN HEARNE

Dated this 8th day of October, 2013

**LIXI LIMITED**  
**53 095 299 835**

**FINANCIAL STATEMENTS**

**STATEMENT OF COMPREHENSIVE INCOME (P&L)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	This Year \$	2012 \$
<b>Income</b>			
Membership/Licence Fees		502,600	350,977
Other Income		546	26,641
Interest		8,602	22,729
<b>Total Income</b>		511,748	400,347
<b>Expenses</b>			
Audit Fees		2,200	2,600
Business SC		238,664	236,090
Communication SC		11,906	41,981
Intellectual Property SC		12,259	10,454
Technical SC		129,604	232,575
Employment Expenses		86,140	85,075
<b>Total Expenses</b>		480,773	608,776
<b>Profit/(Loss) for the year</b>	<b>2</b>	30,976	(208,429)

**LIXI LIMITED**  
**53 095 299 835**

**FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	This Year \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	290,824	251,375
Trade and other Receivables	4	190	7,746
<b>TOTAL CURRENT ASSETS</b>		291,014	259,121
<b>TOTAL ASSETS</b>		291,014	259,121
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	2,927	2,010
<b>TOTAL CURRENT LIABILITIES</b>		2,927	2,010
<b>TOTAL LIABILITIES</b>		2,927	2,010
<b>NET ASSETS</b>		288,087	257,111
<b>EQUITY</b>			
Retained earnings	6	288,087	257,111
<b>TOTAL EQUITY</b>		288,087	257,111

**LIXI LIMITED**  
**53 095 299 835**

**FINANCIAL STATEMENTS**

**STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	This Year \$	2012 \$
Total members' funds at the beginning of the year		257,111	465,540
Profit/(Loss) for the year		30,976	(208,429)
Other comprehensive income		-	-
Total comprehensive income for the year		30,976	(208,429)
Total members' funds at the end of the financial year		288,087	257,111



**LIXI LIMITED**  
**53 095 299 835**

**FINANCIAL STATEMENTS**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	This Year \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		553,461	436,885
Payments to suppliers (inclusive of GST)		(522,614)	(691,342)
Interest received		8,602	22,729
<b>Net cash provided by (used in) operating activities</b>	<b>7</b>	<u>39,449</u>	<u>(231,728)</u>
Net increase (decrease) in cash held		39,449	(231,728)
Cash at beginning of year		<u>251,375</u>	<u>483,103</u>
Cash at end of year		<u><u>290,824</u></u>	<u><u>251,375</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 Statement of Significant Accounting Policies**

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the director has determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

**Cash and Cash Equivalents**

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

**Revenue**

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

**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 Tax Office (ATO).

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 balance sheet.

**Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 20113**

**2 Profit**

	This Year \$	2012 \$
<b>Expenses</b>		
Audit Fees	2,200	2,600

**3 Cash and Cash Equivalents**

	This Year \$	2012 \$
<b>Current</b>		
Cash at Bank	11,183	8,177
NAB Investment Account	8,951	42,978
Macquarie Bank Term Deposit	270,690	200,000
Debit Card	-	220
	290,824	251,375

**Reconciliation of cash**

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

Cash at Bank	11,183	8,177
NAB Investment Account	8,951	42,978
Macquarie Bank Term Deposit	270,690	200,000
Debit Card	-	220
	290,824	251,375

**4 Trade and Other Receivables**

	This Year \$	2012 \$
<b>Current</b>		
Trade Debtors	-	7,700
GST Outstandings	190	46
	190	7,746

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

**5 Trade and other payables**

<b>Current</b>		
Trade Creditors	2,927	1,310
GST Outstandings	-	700
	2,927	2,010

**LIXI LIMITED**  
**53 095 299 835**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

Financial liabilities at amortised cost classified as Trade and other payables

Trade and other payables:

- Total current	-	2,010
Financial liabilities as trade and other payables	-	2,010

## 6 Retained Earnings

	This Year \$	2012 \$
Retained earnings at the beginning of the financial year	257,111	465,540
Net profit/(loss) attributable to members of the company	30,976	(208,429)
Retained earnings at the end of the financial year	288,087	257,111

## 7 Cash Flow Information

	This Year \$	2012 \$
<b>Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax</b>		
Profit/(Loss) after income tax	30,976	(208,429)
<b>Changes in assets and liabilities, net of the effects of any purchase and disposal of subsidiaries</b>		
(Increase)/decrease in trade and other receivables	7,700	19,550
Increase/(decrease) in trade and other payables	1,617	(42,558)
Increase/(decrease) in tax liabilities	(844)	(291)
	39,449	(231,728)

## 8 Company Details

LIXI LIMITED is a company limited by shares, incorporated and domiciled in Australia.


**DIRECTORS' DECLARATION**


The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 12 present fairly the company's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
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.

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

Signed:   
Name of Director: PAUL CAHIFF Date: 8/10/13

Signed:   
Name of Director: JOHN HEARNE Date: 8/10/13

**MEAGHER, HOWARD & WRIGHT**  
CERTIFIED PRACTISING ACCOUNTANTS  
ABN 42 664 097 441

Suite 505  
Level 5 / 55 Grafton Street  
BONDI JUNCTION NSW 2022  
PO Box 653  
BONDI JUNCTION NSW 1355

PARTNERS  
K.J. WRIGHT J.P. M.COMM. F.C.P.A.  
G. MIDDLETON B.COMM. ACA

FINANCIAL PLANNING  
MARK MAYCOCK

ASSOCIATE  
L.J. HOWARD O.A.M. J.P. B Ec. F.C.P.A.

Phone: 02 9387 8988  
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[greg@mhw.net.au](mailto:greg@mhw.net.au)

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
LIXI Limited**

I declare, that to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

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

**Name of Firm:** Meagher Howard & Wright  
Certified Practising Accountants

**Name of Director:**

  
\_\_\_\_\_  
Ken Wright

**Address:** Suite 505, 55 Grafton Street BONDI JUNCTION NSW 2022

**Dated this day of 30th day of September 2013**

**MEAGHER, HOWARD & WRIGHT**  
CERTIFIED PRACTISING ACCOUNTANTS  
ABN 42 664 097 441

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Level 5 / 55 Grafton Street  
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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIXI LIMITED 53 095 299 835**

### **Report on the Financial Report**

I have audited the accompanying financial report of Lixi Limited which comprises the statement of financial position as at 30 June 2013 and the statement of comprehensive income and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation of the financial report, and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of the company, would be in the same terms if provided to the directors as at the date of this auditor's report.

### Auditor's Opinion

In my opinion the financial report of Lixi Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

### Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

**Name of Firm:** Meagher Howard & Wright  
Certified Practising Accountants

**Name of Director:**

  
\_\_\_\_\_  
Ken Wright

**Address:** Suite 505, 55 Grafton Street BONDI JUNCTION NSW 2022

**Dated this day of 30th day of September 2013**