

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

Financial Report

Year Ended 30th June 2014

The accompanying notes form part of these financial statements

LIXI LIMITED
53 095 299 835
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014

Directors' Report

Your directors present this report on the entity for the financial year ended 30 June 2014.

Directors

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

Mr Paul Lahiff (Chair)

Mr Martyn Beer

Mr Milton Chan

Ms Lisa Claes (appointed 27 November 2013)

Ms Rachel Copley (appointed 27 November 2013)

Mr Glenn Haslam

Mr John Hearne

Mr Matt Lawler (resigned 27 November 2013)

Mr John McDonald

Mr Jason Millett

Mr Phil Naylor (resigned 27 November 2013)

Mr Neill Rose-Innes (appointed 27 November 2013)

Mr James Sheffield (resigned 27 November 2013)

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.

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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 Paul Lahiff

Qualifications
Experience
Special Responsibilities

Director

BSc, FFINSIA, FAIM, MAICD
Company Director
Chairman
Member of the Business Sub-Committee
Member LIXI 2.0 Implementation Sub-Committee

Mr Martyn Beer

Qualifications
Experience
Special Responsibilities

Director

B.Bus
Lending Solutions Group Manager, Sandstone
Chair of the Technical Sub-Committee
Member LIXI 2.0 Implementation Sub-Committee

Mr Milton Chan

Qualifications
Experience
Special Responsibilities

Director

BComm, BBusSys
Head of Technology, NAB Growth Partnerships
Member of Technical Sub-Committee

Ms Lisa Claes

Qualifications
Experience
Special Responsibilities

Director

LLM, BA/LLB
Executive Director Customer Delivery, ING Direct
Member of the Business Sub-Committee

Ms Rachel Copley

Qualifications
Experience
Special Responsibilities

Director

BSc (Hons)
Executive Manager, Home Loan Process, CommBank
Member LIXI 2.0 Implementation Sub-Committee

Mr Glenn Haslam

Qualifications
Experience
Special Responsibilities

Director

MBA
General Manager, ANZ Bank
Member of the Business sub-committee
Member of LIXI 2.0 Implementation Sub-Committee
Member of Communications Sub-Committee

Mr John Hearne

Qualifications
Experience
Special Responsibilities

Director

MBus
Head of Information & Knowledge Services, QBE
Chair of the Communications Sub-Committee
Member LIXI 2.0 Implementation Sub-Committee

Mr John McDonald

Qualifications
Experience
Special Responsibilities

Director

BEC, ACA
Chief Financial Officer, Aussie Home Loans
Member of the Business Sub-Committee

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FOR THE YEAR ENDED 30 JUNE 2014

Mr Jason Millett

Qualifications
 Experience
 Special Responsibilities

Director

BA, MBA, AICD
 Interim Chief Information Officer, Westpac New Zealand
 Chair LIXI 2.0 Implementation Sub-Committee
 Member of the Intellectual Property Sub-Committee
 Member of Technical Sub-Committee

Mr Neill Rose-Innes

Qualifications
 Experience
 Special Responsibilities

Director

Diploma in Information Technology
 General Manager - Operations & Chief Financial Officer
 Mortgage Choice
 Chair of the LIXI 2.0 Implementation Sub-Committee

Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

| Director | Meeting Eligible to Attend | Meetings Attended |
|------------------------|-----------------------------------|--------------------------|
| Mr Paul Lahiff (Chair) | 6 | 6 |
| Mr Martyn Beer | 6 | 5 |
| Mr Milton Chan | 6 | 5 |
| Ms Lisa Claes | 3 | 2 |
| Ms Rachel Copley | 4 | 3 |
| Mr Glenn Haslam | 6 | 4 |
| Mr John Hearne | 6 | 4 |
| Mr Matt Lawler | 2 | 2 |
| Mr John McDonald | 6 | 6 |
| Mr Jason Millett | 6 | 4 |
| Mr Phil Naylor | 2 | 2 |
| Mr Neill Rose-Innes | 4 | 2 |
| Mr James Sheffield | 2 | 0 |

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 2014 the collective liability of members was \$700.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 14 of the financial report.

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

Signed:  Signed: 
Name of Director: PAUL LAHIFF Name of Director: MARTYN BEER

Dated this 21st day of August, 2014

LIXI LIMITED
53 095 299 835
FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME (P&L)
FOR THE YEAR ENDED 30 JUNE 2014

| | Notes | This Year \$ | 2013 \$ |
|-----------------------------------|----------|-----------------|------------|
| Income | | | |
| Membership/Licence Fees | | 643,148 | 502,600 |
| Other Income | | 9,864 | 546 |
| Interest | | 8,768 | 8,602 |
| Total Income | | 661,779 | 511,748 |
| Expenses | | | |
| Audit Fees | | 2,200 | 2,200 |
| Business SC | | 265,230 | 238,664 |
| Communication SC | | 13,178 | 11,906 |
| Intellectual Property SC | | 10,418 | 12,259 |
| Technical SC | | 106,936 | 129,604 |
| Employment Expenses | | 136,951 | 86,140 |
| Total Expenses | | 534,913 | 480,773 |
| Profit/(Loss) for the year | 2 | 126,866 | 30,976 |

LIXI LIMITED
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FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2014

| | Notes | This Year \$ | 2013 \$ |
|----------------------------------|----------|-----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 439,330 | 290,824 |
| Trade and other Receivables | 4 | 600 | 190 |
| TOTAL CURRENT ASSETS | | 439,930 | 291,014 |
| NON-CURRENT ASSETS | | | |
| Computer Equipment | 5 | 2,178 | - |
| Other non-current assets | 6 | 3,225 | - |
| TOTAL NON-CURRENT ASSETS | | 5,403 | - |
| TOTAL ASSETS | | 445,333 | 291,014 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 30,380 | 2,927 |
| TOTAL CURRENT LIABILITIES | | 30,380 | 2,927 |
| TOTAL LIABILITIES | | 30,380 | 2,927 |
| NET ASSETS | | 414,953 | 288,087 |
| EQUITY | | | |
| Retained earnings | 8 | 414,953 | 288,087 |
| TOTAL EQUITY | | 414,953 | 288,087 |

STATEMENT OF CHANGES IN MEMBERS' FUNDS

LIXI LIMITED
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FOR THE YEAR ENDED 30 JUNE 2014

| | This Year | 2013 |
|---|------------------|-------------|
| Notes | \$ | \$ |
| <hr/> | | |
| Total members' funds at the beginning of the year | 288,087 | 257,111 |
| Profit/(Loss) for the year | 126,866 | 30,976 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 126,866 | 30,976 |
| | | |
| Total members' funds at the end of the financial year | 414,953 | 288,087 |

LIXI LIMITED
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FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

| | Notes | This Year \$ | 2013 \$ |
|--|----------|-----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers (inclusive of GST) | | 718,313 | 553,461 |
| Payments to suppliers (inclusive of GST) | | (575,261) | (522,614) |
| Interest received | | 8,768 | 8,602 |
| Net cash provided by (used in) operating activities | 9 | 151,820 | 39,449 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for plant & equipment | | (3,314) | - |
| Net cash provided by (used in) investing activities | | (3,314) | - |
| Net increase (decrease) in cash held | | 148,506 | 39,449 |
| Cash at beginning of year | | 290,824 | 251,375 |
| Cash at end of year | | 439,330 | 290,824 |

LIXI LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 directors have 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2 Profit

| | <u>This Year \$</u> | <u>2013 \$</u> |
|-----------------|---------------------|----------------|
| Expenses | | |
| Audit Fees | 2,200 | 2,200 |

3 Cash and Cash Equivalents

| | <u>This Year \$</u> | <u>2013 \$</u> |
|-----------------------------|---------------------|----------------|
| Current | | |
| Cash at Bank | 5,195 | 11,183 |
| NAB Investment Account | 184,135 | 8,951 |
| Macquarie Bank Term Deposit | 250,000 | 270,690 |
| Debit Card | - | - |
| | <u>439,330</u> | <u>290,824</u> |

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 | 5,195 | 11,183 |
| NAB Investment Account | 184,135 | 8,951 |
| Macquarie Bank Term Deposit | 250,000 | 270,690 |
| Debit Card | - | - |
| | <u>439,330</u> | <u>290,824</u> |

LIXI LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

4 Trade and Other Receivables

| | This Year \$ | 2013 \$ |
|------------------|---------------------|-------------------|
| Current | | |
| Trade Debtors | 600 | - |
| GST Outstandings | - | 190 |
| | <u>600</u> | <u>190</u> |
| | <u><u>600</u></u> | <u><u>190</u></u> |

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

5 Non-Current assets – Computer Equipment

| | This Year \$ | 2013 \$ |
|--------------------------------|---------------------|-----------------|
| Year ended 30 Jun 2104 | | |
| Opening net book amount | - | - |
| Additions | 4,796 | - |
| Depreciation charge | 2,618 | - |
| Closing net book amount | <u>2,178</u> | <u>-</u> |
| | <u><u>2,178</u></u> | <u><u>-</u></u> |

6 Non-Current assets – Other non-current assets

| | This Year \$ | 2013 \$ |
|--------------------|---------------------|-----------------|
| Office rental bond | 3,225 | - |
| | <u>3,225</u> | <u>-</u> |
| | <u><u>3,225</u></u> | <u><u>-</u></u> |

7 Trade and other payables

| | This Year \$ | 2013 \$ |
|--|----------------------|---------------------|
| Current | | |
| Trade Creditors | 18,344 | 2,927 |
| GST Outstandings | 24 | - |
| Employee Provisions | 12,012 | - |
| Total Financial liabilities as trade and other payables | <u>30,380</u> | <u>2,927</u> |
| | <u><u>30,380</u></u> | <u><u>2,927</u></u> |

LIXI LIMITED
53 095 299 835
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

8 Retained Earnings

| | This Year \$ | 2013 \$ |
|--|---------------------|----------------|
| Retained earnings at the beginning of the financial year | 288,087 | 257,111 |
| Net profit/(loss) attributable to members of the company | 126,866 | 30,976 |
| Retained earnings at the end of the financial year | <u>414,953</u> | <u>288,087</u> |

9 Cash Flow Information

| | This Year \$ | 2013 \$ |
|---|---------------------|----------------|
| Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax | | |
| Profit/(Loss) after income tax | 126,866 | 30,976 |
| Depreciation | 1,136 | - |
| Changes in assets and liabilities, net of the effects of any purchase and disposal of subsidiaries | | |
| (Increase)/decrease in trade and other receivables | (3,825) | 7,700 |
| Increase/(decrease) in trade and other payables | 27,429 | 1,617 |
| Increase/(decrease) in tax liabilities | 214 | (844) |
| | <u>151,820</u> | <u>39,449</u> |

10 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 14 present fairly the company's financial position as at 30 June 2014 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 LAHIFF Date: 21/8/14

Signed: 
Name of Director: MARTYN BEER Date: 21st August 2014

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
Fax: 02 9387 8388
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 2014 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 21st day of August 2014

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

PARTNERS

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

FINANCIAL PLANNING

MARK MAYCOCK

ASSOCIATE

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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 2014 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:

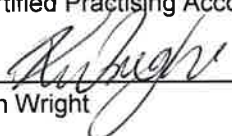
- (a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and 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 21st day of August 2014