

**LIXI LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ABN 53 095 299 835**

**FINANCIAL REPORT YEAR**  
**ENDED 30 JUNE 2015**

LIXI LIMITED  
ABN 53 095 299 835  
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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

**Directors' Report**

Your directors present this report on the entity for the financial year ended 30 June 2015.

**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 (resigned 14 November 2014)  
Ms Lisa Claes  
Ms Rachel Copley  
Mr Glenn Haslam  
Mr John Hearne (resigned 14 November 2014)  
Mr John McDonald  
Mr Jason Millett  
Mr Mark Newton (appointed 14 November 2014)  
Mr Philip Quin-Conroy (appointed 14 November 2014)  
Mr Neill Rose-Innes

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:

- Facilitate business-to-business exchange of information in the lending industry, with particular reference to mortgage lending;
- Develop and adopt standards relevant to the lending industry and to promote their use by members, and other participants in the lending industry;
- Undertake research in connection with business-to-business exchange of information and its application to the lending industry; and

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- Educate members and other participants in the lending industry in the use of standards and related technologies

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

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

**Mr Paul Lahiff**

Qualifications

BSc, MAICD

Experience

Company Director

Special Responsibilities

Chairman Board of Directors

LIXI 2.0 Implementation Sub-Committee

Intellectual Property Sub-Committee

**Mr Martyn Beer**

Qualifications

BBus

Experience

Practice Lead, Banking & Financial Services

Adaptra Group Pty Limited

Special Responsibilities

Chair Technical Sub-Committee

**Ms Lisa Claes**

Qualifications

LLM, BA/LLB

Experience

Executive Director Customer Delivery

ING Bank (Australia) Limited

Special Responsibilities

Business Sub-Committee

**Ms Rachel Copley**

Qualifications

BSc (Hons)

Experience

Executive Manager, Customer Process Architecture

Commonwealth Bank of Australia

Special Responsibilities

Business Sub-Committee

**Mr Glenn Haslam**

Qualifications

MBA

Experience

General Manager

ANZ Banking Group Limited

Special Responsibilities

Chair LIXI 2.0 Implementation Sub-Committee

**Mr John McDonald**

Qualifications

BEC, ACA

Experience

23 years in financial services businesses including CFO roles

Special Responsibilities

Chair Business Sub-Committee

**Mr Jason Millett**

Qualifications

BA, MBA, AICD

Experience

Director, Infrastructure & Operations, Technology

Westpac Banking Corporation

Special Responsibilities

Technical Sub-Committee

**Mr Mark Newton**

Qualifications

Cert IV, Financial Services

Experience

Head of Infrastructure & IT Operations

Genworth Mortgage Insurance Australia Limited

Special Responsibilities

Intellectual Property Sub-Committee

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**Mr Phil Quin-Conroy**

Qualifications BCom, Diploma of Applied Finance & Investment, Diploma of Finance & Mortgage Broking Management  
 Experience Chief Executive Officer  
 PLAN Australia  
 Special Responsibilities Business Sub-Committee

**Mr Neil Rose-Innes**

Qualifications Diploma in Information Technology  
 Experience General Manager - Operations & CIO  
 Mortgage Choice Limited  
 Special Responsibilities Implementation Sub-Committee

**Meetings of Directors**

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

Director	Meeting Eligible to Attend	Meetings Attended
Mr Paul Lahiff (Chair)	6	5
Mr Martyn Beer	6	6
Ms Lisa Claes	6	6
Ms Rachel Copley	6	6
Mr Glenn Haslam	6	6
Mr John McDonald	6	4
Mr Jason Millett	6	4
Mr Mark Newton	4	4
Mr Phil Quin-Conroy	4	2
Mr Neill Rose-Innes	6	5

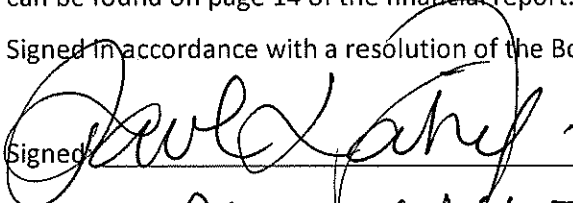
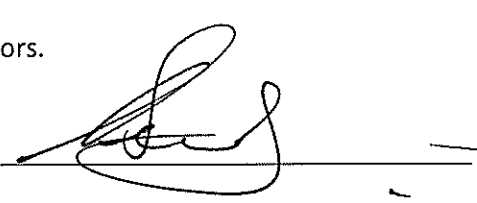
**Guarantee**

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.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2015 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 23rd day of October 2015

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**STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Income</b>		
Membership/Licence Fees	761,357	643,148
Other Income	5,563	9,864
Interest	11,307	8,768
<b>Total Income</b>	<u>778,228</u>	<u>661,779</u>
<b>Expenses</b>		
Employment	360,533	136,950
General Expenses	22,955	12,231
Infrastructure	17,551	11,430
Media & Events	8,331	9,096
Operations & Admin	27,207	7,412
Professional Fees	58,270	232,889
Technical /Professional Fees	69,051	99,589
Travel & Entertainment	10,906	25,316
<b>Total Expenses</b>	<u>574,804</u>	<u>534,913</u>
<b>Profit/(Loss) for the year</b>	<u>203,424</u>	<u>126,866</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	2	655,333	439,330
Trade and other receivables		736	600
<b>TOTAL CURRENT ASSETS</b>		<b>656,069</b>	<b>439,930</b>
NON-CURRENT ASSETS			
Computer Equipment	3	1,794	2,178
Other non-current assets	4	3,225	3,225
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,019</b>	<b>5,403</b>
<b>TOTAL ASSETS</b>		<b>661,088</b>	<b>445,333</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	6	40,057	23,711
Provisions	5	2,654	6,669
<b>TOTAL CURRENT LIABILITIES</b>		<b>42,711</b>	<b>30,380</b>
<b>TOTAL LIABILITIES</b>		<b>42,711</b>	<b>30,380</b>
<b>NET ASSETS</b>		<b>618,377</b>	<b>414,953</b>
<b>EQUITY</b>			
Retained earnings	7	618,377	414,953
<b>TOTAL EQUITY</b>		<b>618,377</b>	<b>414,953</b>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN MEMBERS FUNDS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$
<b>Total members' funds at the beginning of the year</b>		414,953	288,087
Profit/(Loss) for the year		203,424	126,866
Other comprehensive income		-	-
Total comprehensive income for the year		203,424	126,866
Total members' funds at the end of the financial year		<u>618,377</u>	<u>414,953</u>

The accompanying notes form part of these financial statements.



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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		843,477	718,313
Payments to suppliers (inclusive of GST)		(638,781)	(575,261)
Interest received		11,307	8,768
<b>Net Cash provided by (used in) operating activities</b>		216,003	151,820
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant & equipment		-	(3,314)
<b>Net cash provided by (used in) investing activities</b>		-	(3,314)
Net increase (decrease) in cash held		216,003	148,506
Cash at beginning of year		439,330	290,824
Cash at end of year	2	655,333	439,330

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

**NOTE 1: SUMMARY 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 2015

**NOTE 2: CASH AND CASH EQUIVALENTS**

	2015	2014
	\$	\$
CURRENT		
Cheque Account	21,317	5,195
Investment Account	234,016	184,135
Term Deposit	400,000	250,000
	655,333	439,330

**NOTE 3: PLANT AND EQUIPMENT**

	2015	2014
	\$	\$
Computer equipment at cost	4,614	4,614
Less: accumulated depreciation	(2,820)	(2,436)
	1,794	2,178

**NOTE 4: OTHER NON-CURRENT ASSETS**

	2015	2014
	\$	\$
Rental bond	3,225	3,225
	3,225	3,225

**NOTE 5: PROVISIONS**

	2015	2014
	\$	\$
CURRENT		
Annual leave	2,654	6,668
	2,654	6,668

**NOTE 6: TRADE AND OTHER PAYABLES**

	2015	2014
	\$	\$
Trade creditors	5,218	18,344
Sundry creditors	40,082	5,344
GST	(5,243)	24
	40,057	23,712

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

**NOTE 7: RETAINED EARNINGS**

	2015	2014
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	414,953	288,087
Net profit attributable to members of the company	203,424	126,866
Retained earnings at the end of the financial year	<u>618,377</u>	<u>414,953</u>

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**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:

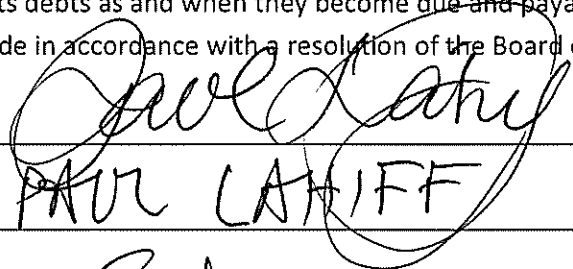
1. the financial statements and notes, as set out on pages 6 to 13, present fairly the company's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' 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: \_\_\_\_\_

Date: \_\_\_\_\_

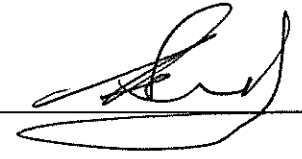
  
PAUL LAFFIFF

23/10/15

Signed: \_\_\_\_\_

Name of Director: \_\_\_\_\_

Dated: \_\_\_\_\_



MARTIN BEAR

23/10/15

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

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

Phone: 02 9387 8988  
Fax: 02 9387 8388  
[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 2015 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 23rd day of day of October 2015**

**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

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

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[greg@mhw.net.au](mailto:greg@mhw.net.au)

**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 2015 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:

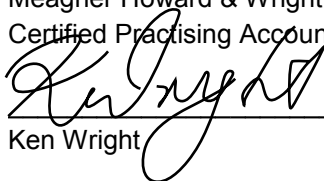
- (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and 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 23rd day of October 2015**