CareersMultiList

Annual Report
For the Financial Year
ended 30 June 2012

CareersMultiList

CareersMultiList provides value to its clients through innovative Human Capital Solutions

Careers MultiList Limited ABN : 88 098 952 277 ASX : CGR

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Annual General Meeting

The Annual General Meeting is to be held at the Kirribilli Club, 11 Harbourview Crescent, Lavender Bay NSW 2060 on Tuesday, 20 November 2012 at 4.00 pm.

Corporate Information

Careers MultiList Limited's ("the Company's") shares are quoted on the official list of the Australian Stock Exchange Limited. The ASX code for the Company's ordinary fully paid shares is "CGR".

Directors
Ian Winlaw – *Independent Non-Executive Chairman*
Daniel Riley – *Managing Director*
Greg Riley – *Non- executive Director*
Steve Rogers – *Independent Non-executive Director*

Company Secretary
Daniel Riley

Share Registry
Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000
Telephone: 1300 787 272

Registered office principal place of business
Level 4
61 Lavender Street
Milsons Point NSW 2061
Telephone: 1300 666 177
Facsimile: (02) 9267 4222
Internet: http://www.careersmultilist.com.au

Principal places of business
Level 3, 10 Help Street, Chatswood NSW 2067
Level 4, 61 Lavender Street, Milsons Point NSW 2061
Level 7, 445 Upper Edward Street, Brisbane QLD 4000
Level 1, 1 Roydhouse Street, SUBIACO WA 6008

Auditors
Hall Chadwick
St Martins Tower
Level 29, 31 Market Street
Sydney NSW 2000

Solicitors
DCS Lawyers
Level 13, MLC Centre
19 Martin Place
Sydney NSW 2000

Bankers
ANZ Bank
Level 4,20 Smith Street,
Parramatta NSW 2150

Bank of Queensland
Level 18, 144 Edward Street,
Brisbane QLD 4000

Chairman's Report

Dear Fellow Shareholders,

I doubt that any financial year has been as testing for CML as the last one has since Greg Riley commenced business some 10 years ago.

Our Lester acquisition was settled in September 2011, and it was a major acquisition for CML, almost doubling our size, but adding an entirely new range of services for us and for our franchise group. Whilst settlement and legal title occurred in September 2011, the final payment was made in March 2012 as it was based on earnings for their financial year, which ended in December 2011. There are no further payments. We welcome Paul Stanbury and his team to the CML family. During the course of discussions, it was noted that there was office space alongside Lesters which could accommodate both our Head Office, then in the Sydney CBD, and some of our Zenith staff operating in Chatswood. Anyone who has moved either a home or an office knows of the interruptions to working activity, and we moved two at once! Management is now integrating the administration and marketing staff so it becomes one team.

The recruitment industry is a good mirror of the general economy, and it is not a pretty picture. During the last financial year and subsequent to 30 June many owners have elected to leave the industry, either by winding down the business or by selling the customer base and merging with another recruitment business. We lost a few franchisees to this trend, but added almost the same number in different locations or with different market segments. We took a fairly brutal look at our debtors at year's end and provided accordingly.

The rapid development and simplification of information technology, the rise of various forms of social media and movement by employers toward self recruiting from websites is having an adverse effect on the industry, particularly in the permanent placement segment. Like all booms, it has a downside, as some employers now need to allocate more staff resources to review the volume of applicants.

Shareholders may recall the Board's basic objective of paying approximately half the tax paid profit by way of dividend. This year we paid more than that as the Board considered the underlying profit a more representative figure of the trend of the group, and have maintained one cent for the year, fully franked.

Please read the report of the Managing Director, Daniel Riley, on page 4 for a detailed business review. I hope to see you at the AGM, but if you cannot attend, please consider appointing a proxy to vote on your behalf.

On behalf of your board

Ian Winlaw
Chairman
28 September 2012

Managing Director's Report

Dear Shareholders,

Careers MultiList Limited has achieved some significant goals during the last year, including increasing revenue by 302% from $18m to $72m, improving its delivery capacity and diversifying its service suite, through acquisition and in-house development. This diversification will help the Company to;

- Build additional, annuity style income streams to maintain profitability in a flat market and boost profit in an improving market
- Assist its Agency Partners to build similar income streams by packaging CML's services as their own
- Continue to build revenue and profit for shareholders

During this phase of significant change, the Company has also increased NPAT (net of one off impairment of receivables) by 27% to $1.05m.

Although the final result was below expectations for the year, primarily due to difficult trading conditions in the final quarter and a decision by the board to increase its provision for doubtful debts, growth prospects will improve from the following investments in the business during the year;

- Office relocation to merge the sales and back-office staff of the Company with acquired business Lester Associates.
- Employment and restructuring of staff to bring components of operations that have historically been managed by outsourced providers back in-house. This includes payroll and debtor collections.
- The launch of new service offering CMLpayroll, which is now contributing to profit, but incurred substantial startup costs during the financial year ended 30 June 2012.
- Continued investment in CMLpartners, which is a network of senior search consultants for whom the Company assists with business development initiatives.

The Company significantly increased its delivery capacity during the year, doubling permanent staff numbers through the acquisition of Lester Associates and employment of new staff. Delivery capacity of the Company has also improved through investment in software and system improvements, to allow it to deliver more from its current cost base.

The Company has increased its scale, with significant new income streams and an expanded customer base through the acquisition of Lester Associates, plus the successful launch of new service offering CMLpayroll. The growth strategy of the Company is centred on the following initiatives:

- Continued integration of the sales and back-office functions with acquired business Lester Associates, to maximise cross-sell opportunities and build efficiencies in service delivery.
- CareersMultiList plans to roll-out CMLPayroll to the broader recruitment industry. CMLpayroll is a back-office payroll and invoicing service to assist recruitment agencies manage their temporary staff, including assistance with cashflow management. To date, CMLpayroll has been offered exclusively to CareersMultiList's Agency Partner network and take-up targets from this group have been exceeded. CMLpayroll now intends promoting services to recruitment agencies nationally.
- A focus on cost management, including reduction of debt.

The financial performance of the Company and the Board's confidence in its earnings outlook underpin the decision to declare a fully franked final dividend of 0.5 cps, payable on 22nd October 2012 with a Record Date of 2nd October 2012. This brings total fully franked dividends in respect of the 2012 financial year to 1.0 cps.

Thank you for your continued support of CareersMultiList and I look forward to reporting our progress during the year.

Daniel Riley
Managing Director
28 September 2012

Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as the 'Group') consisting of Careers MultiList Limited ('CGR') and the entities it controlled at the end of or during the year ended 30 June 2012.

Directors

The following Directors were in office during the whole of the year and continue in office at the date of this report unless otherwise stated:-

Ian Winlaw Independent Chairman and Non-executive Director
Qualifications: M Com, FCA
Experience: With a strong background in finance and accounting Ian brings an impressive commercial discipline to the board, with over 40 years' experience in consulting to, or participating on the boards of Australian companies within mining, rural, technology and research industries. Ian joined CareersMultiList in November 2009.
Responsibilities: Member of the Audit Committee and the Nomination and Remuneration Committee.
Shares: 56,362 ordinary shares

Daniel Riley Managing Director
Qualifications: B Com, CPA
Experience: Daniel has strong experience in finance and commercial roles during his tenure with CareersMultiList and previously. Daniel joined CareersMultiList in 2002 as the Financial Controller and progressed to Operations Director during the ensuing years.

During 2009 Daniel restructured the CareersMultiList franchise model in preparation for listing on ASX, which was successfully completed in early 2010 and provided an opportunity for most franchisees to become shareholders. Daniel was appointed managing director in October 2010 upon retirement of Greg Riley.
Responsibilities: Managing Director
Shares: 6,694,270 Ordinary Shares

Gregory Riley Non-Executive Director
Qualifications: B Sc, Dip ED, G Dip Ed Studies
Experience: Greg is the founder of CareersMultiList. After running a small recruitment business during the 1990's Greg realized the highly cyclic nature of the industry and the lack of competitive advantage of recruitment businesses made profitability a constant challenge.

As a result, Greg developed a model designed to improve the competitive advantage of existing specialist recruitment businesses and provide a less cyclic return.

This is the CareersMultiList model – based on a Franchising model but designed for the unique nature of the Recruitment industry.
Responsibilities: Member of the Nomination and Remuneration Committee.
Shares: 27,061,422 ordinary shares.

Steve Rogers Independent Non-Executive Director
Experience: Steve has strong experience in industry innovation and development, including two years for a Victorian State Government department specialising in ICT industry development and time as an incubator manager, for the de Bono Institute, during the latter stages of the dot com boom. Steve has also held the positions of Chairman and board member of SECIA (an IT Security interest group).
Steve is a senior executive of Rusher Rogers Recruiting, a franchisee of CareersMultiList. Steve joined CareersMultiList in November 2009.
Responsibilities: Chairman of the Audit Committee and the Nomination and Remuneration Committee
Shares: 735,642 ordinary shares.

Directors' Report (continued)

Company Secretary
Michael D. Shillito (resigned 14 November 2011)
Qualifications: B Com
Experience: Michael has over 10 years experience in various accounting roles. Michael joined Careers Multidisc in 2007.
Interest in shares or options: 70,545 ordinary shares

Colin Ware (appointed 29 November 2011, resigned 5 June 2012)
Qualifications: FCPA, FCIS ,F.FIN
Experience: Colin has over 40 years experience in various senior executive and company secretarial roles.
Interest in shares or options: Nil

Richard Standen (appointed 5 June 2012, resigned 13 July 2012)
Qualifications: B Econ,CPA,ACIS
Experience: Richard has over 30 years experience in a variety of senior finance and company secretarial roles.
Interest in shares or options: Nil

Daniel Riley (appointed 13 July 2012 resigning 1 October 2012)
Qualifications: B Com,CPA
Experience: Daniel has previously been the Company Secretary for Careers Multilist limited.
Interest in shares or options: 6,694,270 Ordinary Shares

Ralph Stonell (appointed from 1 October 2012)
Qualifications: B Econ,CPA
Experience: Ralph has over 30 years experience in a variety of senior finance and company secretarial roles.
Interest in shares or options: Nil

Directors' meetings

The following table sets out the number of directors' meetings (including meeting of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or a committee member). During the financial year 16 board meetings, 3 audit committee meetings and one Nomination and Remuneration Committee meeting was held.

	Board of Directors		**Audit Committee**		**Nomination and Remuneration Committee**	
	No. eligible to Attend	Attended	No. eligible to Attend	Attended	No. eligible to Attend	Attended
Ian Winlaw	16	16	3	3	1	1
Greg Riley	16	16	-	-	1	1
Daniel Riley	16	16	-	-	-	-
Steve Rodgers	16	16	3	3	1	1

Dividends Paid or Declared	**2012**	2011
	$ 000's	$ 000's
Interim fully franked dividend at the tax rate of 30%	**285**	250
Final fully franked dividend at the tax rate of 30%*	**312**	278
	597	528

** Declared 31 August 2012, record date 2 October 2012 and date for payment 22 October 2012.*

Corporate structure
Careers MultiList Limited is a listed public company, limited by shares, that is incorporated and domiciled in Australia. Careers MultiList Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year.

Nature of operations and principal activities
The consolidated entity's principal activity during the financial year was expanded from the supply of franchise services to the recruitment industry to now providing payroll management and migration services.

There were no other significant changes in the nature of operations during the financial year.

Directors' Report (continued)

Operating results

For the financial year ended 30 June, 2012, the consolidated entity's operating revenue is $71,967,521 (2011: $17,893,601), an increase of 302% compared with the previous year. Net profit after tax (NPAT) was $860,572 (2011: $831,670) an increase of $28,902 compared with the previous year.

Review of Operations

The group reported a net profit before tax of $1,229,277 (2011 : $1,192,290) and a net profit after tax of $860,572 (2011 : $831,670). The 2012 profit equates to earnings per share of 1.54 cents (2011 : 1.61 cents). This profit represents a solid performance given the investment made during the year by the Company in new service development and the Lester associates acquisition.

The Company strengthened its financial position considerably during the year and operationally made significant progress with its strategic objectives. The financial performance of the Company and the Board's confidence in its earnings outlook underpin the decision to declare a fully franked final dividend of 0.5 cps, payable on 22 October 2012 with a Record Date of 2 October 2012. This brings total fully franked dividends in respect of the 2012 financial year to 1.0 cents per share.

Future developments, prospects and business strategies

The Company has established a solid business platform and CareersMultiList is now poised for revenue and profit growth over the next 12 months and beyond. This growth strategy is centred on the following key initiatives:

- Continued growth in the CMLPayroll product, a back-office payroll and invoicing service to assist franchisees manage their temporary staff, including assistance with cashflow management to support the growth in this function of their business.
- Lester Australia Limited (Lester Associates) business activities include contractor management, outsourced payroll and migration services including on-hire of skilled workers holding 457 visas which will continue to have a positive impact on the Company's revenue, profit and EPS.
- The further refinement of the CareersMultiList business development strategy.

Based on continuing operations, CareersMultiList is projecting strong revenue and profit growth for the 2013 financial year.

Significant Changes in state of affairs

The Company announced this financial year that it has acquired 100% of the shares in Lester Australia Limited (Lester Associates), effective 19 September 2011. Lester Associates is a contractor management, outsourced payroll and migration company including the on-hire of skilled workers holding 457 visas. Lester Associates' services complement the Company's current offering to recruitment agencies, corporate clients and Government Departments.

Lester Associates has operated in Australia for 13 years and generates annual revenue of around $60m and EBIT of approx. $1m. Their main business activities include contractor management, outsourced payroll and migration services.

The acquisition of Lester Associates cements the position of Careers MultiList Limited as a leading provider of HR services to the recruitment industry. The synergies between the client bases of Lester Associates and Careers MultiList Limited provide considerable cross-selling opportunities.

The total purchase consideration was $4,281,630 being $4,118,005 in cash and $163,625 in shares.

After balance date events

On 31 August 2012 the Board declared a fully franked final dividend of 0.5 cps, payable on 22 October 2012 with a Record Date of 2 October 2012.

Other than above, no matters of substance have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Environmental regulations

The consolidated entity's operations are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors' Report (continued)

Indemnifying officers or auditor

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums insure all of the directors of the company as named above, the company secretary and all executive officers of the company against any liability incurred as such by a director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as such by an officer or auditor.

Remuneration report

This report outlines the remuneration arrangements in place for directors and executives of Careers MultiList Limited. The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Remuneration Policy

The remuneration policy of Careers MultiList Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Careers MultiList Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- the remuneration policy is to be developed by the remuneration committee and approved by the Board after professional advice is sought from independent external consultants;
- all key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives;
- performance incentives are generally only paid once predetermined key performance indicators have been met;
- incentives paid in the form of options or rights are intended to align the interests of the directors and the company with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means; and
- the remuneration committee reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of the consolidated group's profits. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement.

All remuneration paid to key management personnel is valued at the cost to the company and expensed.

The Board's policy remunerates non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Directors' Report (continued)

Performance-based Remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs targets areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

Details of remuneration

Details of the remuneration of the directors, the key management personnel of the group (as defined in AASB 124 Related Party Disclosures) and the five highest paid executives of the Careers MultiList Limited Group are set out in the following tables :-

		Short-term employment benefits			Post employment benefits	
Remuneration Key management personnel of the Group 2012		Cash, Salary and fees	Profit share and bonuses	Non-Cash Benefits	Super-annuation	Total
		$	$	$	$	$
Daniel Riley	**Managing Director**	209,518	18,250	10,000	8,363	246,131
Ian Winlaw	**Non-executive Director**	65,000	-	-	-	65,000
Greg Riley	**Non-executive Director**	63,993	-	10,000	-	73,993
Steve Rogers	**Non-executive Director**	20,000	-	-	-	20,000
Paul Stanbury *	**Managing Director - Lester Assoc.**	212,471	227,400	-	11,831	451,702
Richard Standen *	**CFO & Company Secretary**	22,981	-	-	-	22,981
Colin Ware # *	**CFO & Company Secretary**	474,823	-	-	-	474,823
Michael Shillito *	**CFO & Company Secretary**	41,906	-	-	3,771	45,677
		1,110,692	245,650	20,000	23,965	1,400,307

\# Colin Ware was paid an Eligible termination payment from Lester Australia of $381,111 on 23 September 2011 plus $93,712 in normal wages during the rest of the financial year.

* Paul Stanbury Appointed 19/09/2011 on acquisition of Lester Australia, Richard Standen appointed 05/06/2012 resigned 13/07/2012, Colin Ware appointed 29/11/2011 and resigned 05/06/2012, Michael Shillito resigned 14/11/2011

		Short-term employment benefits			Post employment benefits	
Remuneration Key management personnel of the Group 2011		Cash, Salary and fees	Profit share and bonuses	Non-Cash Benefits	Super-annuation	Total
		$	$	$	$	$
Daniel Riley *	**Managing Director**	145,517	-	10,000	13,096	168,613
Ian Winlaw	**Non-executive Director**	65,000	-	-	5,850	70,850
Greg Riley *	**Non-executive Director**	144,992	-	10,000	5,608	160,600
Steve Rogers	**Non-executive Director**	20,000	-	-	1,800	21,800
Michael Shillito *	**Company Secretary**	68,023	-	-	6,130	74,153
		443,532	-	20,000	32,484	496,016

* Daniel Riley includes remuneration as the Company Secretary/Executive Director from 1/7/2010 to 01/10/2010 and as Managing Director from 01/10/2010 to 30/06/2011. Greg Riley includes remuneration as the Managing Director from 1/7/2010 to 01/10/2010 and as a Non-Executive from 01/10/2010 to 30/06/2011. Michael Shillito Appointed Company Secretary 01/10/2010.

Directors' Report (continued)

Details of remuneration (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:-

Name		Fixed Remuneration	
		2012	2011
Executive Directors			
Greg Riley	**Managing Director (Non-executive Director from 01/10/2010)**	**100%**	100%
Daniel Riley	**Managing Director**	**92%**	100%
Paul Stanbury	**Managing Director - Lester Australia Limited**	**50%**	-
Richard Standen	**CFO & Company Secretary**	**100%**	-
Colin Ware	**CFO & Company Secretary**	**100%**	-
Michael Shillito	**CFO & Company Secretary**	**100%**	-

Service Agreements
On appointment to the board, all non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the managing director are also formalised in a service agreement. The agreement provides for performance-related cash bonuses.

Other major provisions of the agreements relating to remuneration are set out below:-

Name	Term of agreement	Base salary including superannuation
Daniel Riley	Ongoing as from 1 October 2010	227,881
Paul Stanbury	At a minimum to 22 December 2013	224,302

All contracts with executives may be terminated early by either party with 6 months' notice, subject to termination payments at the discretion of the Remuneration Committee.

Group performance in relation to key management personnel compensation
The following table shows the performance of the Consolidated Group over the past four financial years in relation to key management personnel compensation paid:-

Financial Year	KMP Short Term Incentives (TSI) $	NPAT / (NLAT) $ 000's	Basic EPS Cents	Diluted EPS Cents	Net Equity $ 000's	NTA per share cents	Dividends $ 000's	Share price at Year end Cents
2009	Nil	669	42.26	42.26	408	0.26	320	*N/A
2010	Nil	(1,287)	-4.63	-4.63	1,855	-0.01	670	15.0
2011	Nil	831	1.61	1.61	3,028	0.8	528	10.0
2012	Nil	860	1.54	1.54	4,065	-1.8	597	10.5

* Company listed on the ASX on 23 February 2010

Equity instrument disclosures relating to key management personnel

2012 Shareholdings No of shares held by Key Management Personnel	Balance 1 July 2011	Received as Remuner-ation	Other changes during the year*	Balance 30 June 2012
Greg Riley	25,172,205		1,889,217	27,061,422
Daniel Riley	6,527,907		166,363	6,694,270
Steve Rogers	628,370		107,272	735,642
Ian Winlaw	20,000		36,362	56,362
	32,348,482	0	2,199,214	34,547,696

* Net changes other refer to shares purchased

Directors' Report (continued)

2011 Shareholdings No of shares held by Key Management Personnel	**Balance 1 July 2010**	**Received as Remuner-ation**	**Other changes during the year***	**Balance 30 June 2011**
Greg Riley	25,172,205	-	-	25,172,205
Daniel Riley	6,507,541	-	20,366	6,527,907
Steve Rogers	628,370	-	-	628,370
Ian Winlaw	20,000	-	-	20,000
	32,328,116	-	20,366	32,348,482

* Net changes other refer to shares purchased

Auditor Independence declaration

The auditor's independence declaration for the year ended 30 June 2012 as required under section 307C of the Corporations Act 2001 has been received and is set out on page 18 of the financial report.

Non-audit services

The board of directors, in accordance with advice received from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditor imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons :-

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid/payable to Hall Chadwick Chartered Accountants for the year ended 30 June 2012.

Options

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

Proceedings on behalf of the Company

No person has applied for leave of Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 23 of the Corporations Act 2001.

ASIC Class Order 98/100 Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies and ,accordingly,amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the board of directors.

Daniel Riley
Managing Director
Sydney, 28 September 2012

Corporate Governance Statement

Careers MultiList Limited (the "Company"), the Board and management are committed to achieving and demonstrating the highest standards of corporate governance. The Company and its controlled entities together are referred to as the "Group" in this statement.

Below is a summary of the Company's corporate governance practices applied for the year ended 30 June 2012. They comply with the Corporate Governance and Recommendations of the ASX Corporate Governance Council where appropriate, given the size and complexity of the business. On 30 June 2010, the ASX Corporate Governance Council released amendments to the second edition in relation to diversity, remuneration, trading policies and briefings, which applied to the Company from 1 January 2011. A copy of the Corporate Governance Policies can be downloaded from the Company's website, www.careersmultilist.com.au.

Principle 1 Lay Solid Foundations for Management and Oversight

Recommendation 1.1 - Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The Directors of the Company are accountable to the shareholders for the proper management of the business and affairs of the Company.

The key responsibilities of the Board are:-

- Setting of strategic objectives, and approval of long-term business plans and annual budgets including operating and capital expenditure budgets;
- Approval and monitoring the progress of all major capital expenditure projects and acquisitions and divestitures;
- Regularly reviewing the operational and financial performance of the Company;
- Ensuring that appropriate policies and procedures are in place to satisfy the requirements of continuous disclosure to the investment market and shareholders about the performance and activities of the Company so that they can make informed assessments of the Company's prospects;
- Ensuring appropriate risk management systems are in place to identify, assess and provide proper management of risk;
- Overseeing the Company's commitment to the health and safety of employees and contractors, the environment and sustainable development;
- Evaluation of potential business development opportunities;
- Nomination and, where appropriate, appointment of Directors, evaluating their performance, reviewing their remuneration and ensuring an appropriate succession plan;
- Appointing and removing the Executive Chairperson, Managing Director, Company Secretary, Chief Financial Officer (CFO) and other senior executives, evaluating their performance, reviewing their remuneration and ensuring an appropriate succession plan;
- Ensuring appropriate resources are available to senior executives;
- Ensuring appropriate policies and delegations are sufficient to effectively govern the Company;
- Appointment of the Company's external auditors;
- Ensuring satisfactory internal controls are maintained over the financial reporting processes.
- Approving and monitoring financial and other reporting;
- Ensuring there is an effective Corporate Governance structure and practice in place;
- Ensuring the Company's Code of Conduct and other policies are adhered to;
- Ensuring that an appropriate policy is in place regarding trading of the Company's shares by employees of the Company;
- Approval of the annual and half-year financial reports;
- Ensuring all shareholders are treated equally and fairly;
- Ensuring that appropriate policies and procedures are in place to ensure compliance with applicable laws; and
- All other responsibilities are delegated by the Board to management.

The Company has an informal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors. Directors also have the opportunity to visit Company facilities and meet with management to gain a better understanding of business operations.

Senior executives including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO)/Company Secretary have a formal job description and letter of appointment describing their term of office, duties, rights and responsibilities. The CEO has responsibility for the operation and administration of the Company as delegated by the Board.

Corporate Governance Statement (continued)

Recommendation 1.2 - Companies should disclose the process for evaluating the performance of senior executives.

Recommendation 1.3 - Companies should provide the information indicated in the Guide to reporting on Principle 1.

The Board reviews and approves proposed remuneration (including incentive awards, equity awards and service contracts). As part of this review the Board oversees an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.
Also refer to comments in respect of Recommendation 1.1.

Principle 2 Structure the Board to Add Value

Recommendation 2.1 - A majority of the Board should be independent Directors.

The current Board consists of four Directors the majority of whom are independent. The Board believes that the people on the Board can and do make independent judgments in the best interests of the Company at all times.

Recommendation 2.2 - The chair should be an independent Director.

The Chairman of the Board, Mr. Ian Winlaw is an independent Non- executive director.

Recommendation 2.3 - The roles of the chair and the Chief Executive Officer should not be exercised by the same individual.

Mr. Ian Winlaw is the Chairman of the Board and Mr. Daniel Riley the Managing Director.

Recommendation 2.4 - The Board should establish a nomination committee.

Unless otherwise determined by the Board, the Nomination and Remuneration Committee comprises a minimum of three directors with at least two members being independent directors. Members of the Committee are Ian Winlaw (Chairman), Steve Rogers and Greg Riley.

Recommendation 2.5 - Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors.

While no performance evaluation of the Board or management was carried out for the financial year ended 30 June 2012 this is continually monitored by the Chairman and the Board. The Chairman also speaks to each director individually regarding their role as a director.

Recommendation 2.6 - Companies should provide the information indicated in the Guide to reporting on Principle 2.

This Information is contained in commentary for Recommendations 2.1 to 2.5. The Directors profiles are outlined in the Directors' Report covering skills, experience, expertise, tenure, responsibilities and independence.

All Directors are permitted to seek independent external expert advice on any Board matter with the prior consent of the Chairman and at the expense of the Company. Such advice is made available to all Directors.

Principle 3 Promote Ethical and Responsible Decision Making

Recommendation 3.1 - Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the company's integrity;
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders;
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company recognises the need for directors and employees to observe the highest standards of behaviour and business ethics. All directors and employees are required to act in accordance with the law and with the highest standard of propriety.

Corporate Governance Statement (continued)

Recommendation 3.2 - Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

Recommendation 3.3 - Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Recommendation 3.4 - Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

Recommendation 3.5 - Companies should provide the information indicated in the Guide to reporting on Principle 3.

Whilst the Company does not have a strict policy on diversity, the Company is an equal opportunity employer and welcomes people from a diverse range of backgrounds. The Company recognises that diversity encompasses gender, race, ethnicity, age, disability and cultural background and is committed to providing equal access to opportunities based on merit regardless of diversity. As such the Board deems it not necessary to disclose measureable objectives for achieving diversity.

However, the Board acknowledges these recommendations and will ensure that the Company practices the intent and spirit of these recommendations.

Principle 4 Safeguard Integrity in Financial Reporting

Recommendation 4.1 - The Board should establish an Audit Committee.

Recommendation 4.2 - The Audit Committee should be structured so that it :-
- consists only of Non-Executive Directors;
- consists of a majority of independent Directors;
- is chaired by an independent chair, who is not chair of the Board; and
- has at least three members.

Recommendation 4.3 - The Audit Committee should have a formal charter.

Recommendation 4.4 - Companies should provide the information indicated in the Guide to reporting on Principle 4.

The Company has an Audit an Risk Management Committee with an independent chairman Mr. Steve Rogers, and one other member Mr. Ian Winlaw both being Non-executive Directors. A formal charter of the committee has been approved by the Board a copy of which is available on the Company's website; www.careersmultilist.com.au. Unless otherwise determined by the Board, the Committee comprises only non-executive directors and a minimum of two independent directors with the Chair as an independent director and not the Chair of the board of directors.

Principle 5 Make Timely and Balanced Disclosure

Recommendation 5.1 - Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance, and disclose those policies or a summary of those policies.

Corporate Governance Statement (continued)

Recommendation 5.2 - Companies should provide the information indicated in the Guide to reporting on Principle 5.

The Company has established procedures designed to ensure compliance with the ASX Listing Rules so that Company announcements are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

The Board approves all disclosures necessary to ensure compliance with ASX Listing Rule disclosure requirements.

The Company Secretary is responsible for communication with the Australian Stock Exchange (ASX). This includes ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing information disclosure to analysts, brokers, shareholders, the media and general public. All information disclosed to the ASX is posted on the Company's website; www.careersmultilist.com.au as soon as practicable after it is disclosed to the ASX.

Principle 6 Respect the Rights of Shareholders

Recommendation 6.1 - Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings, and disclose their policy or a summary of that policy.

Recommendation 6.2 - Companies should provide the information indicated in the Guide to reporting on Principle 6.

The Company has a communications strategy and an established policy on stakeholder communication and continuous disclosure to promote effective communication with shareholders, subject to privacy laws and the need to act in the best interests of the Company by protecting commercial information.

The Company’s policy on communication with shareholders is set out in the Company’s Policy on stakeholder communication and continuous disclosure’ which can be viewed on the Company’s website; www.careersmultilist.com.au.

Principle 7 Recognise and Manage Risk

Recommendation 7.1 - Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Recommendation 7.2 - The Board should require management to design and implement a risk management and internal control system to manage the Company's material business risks, and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

The risk management and internal control systems within the Company encompass all policies, processes, practices and procedures established by management and/or the Board to provide reasonable assurance that :-

- established corporate and business strategies and objectives are achieved;
- risk exposure is identified and adequately monitored and managed;
- resources are acquired economically, adequately protected and managed efficiently and effectively in carrying out CML's business;
- significant financial, managerial and operating information is accurate, relevant, timely and reliable; and
- there is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.

Corporate Governance Statement (continued)

Principal 7 - Recommendation 7.1 & 7.2 (continued)

The Audit Committee reviews how senior management :-
- Delegate approvals required under the risk management framework;
- Report risk management including operational issues, operational losses;
- Monitor operational control weaknesses and breakdowns, including fraud;
- Monitor due diligence conducted for appointment and ongoing monitoring of outsourced arrangements;
- Perform in self-assessment reviews and their monitoring of results of workshops for other employees.

Systems of internal financial control have been put in place by the management of the Company and are designed to provide reasonable, but not absolute protection against fraud and material misstatement. These controls are intended to identify, in a timely manner, control issues that require attention by the Board.

Recommendation 7.3 - The Board should disclose whether it has received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received from management an assurance that internal risk management and the internal control system is effective; and assurance from the Managing Director that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control which is operating effectively in respect to financial reporting risks.

Recommendation 7.4 - Companies should provide the information indicated in the Guide to reporting on Principle 7.

This Information is contained in commentary for Recommendations 7.1 to 7.3.

Principle 8 Remunerate Fairly and Responsibly

Recommendation 8.1 - The Board should establish a Remuneration Committee.

Recommendation 8.2 - The remuneration committee should be structured so that it:
- consists of a majority of independent directors
- is chaired by an independent chair
- has at least three members.

The Nomination and Remuneration Committee comprises a minimum of three directors with at least two members being independent directors. Members of the Committee are Ian Winlaw (Chairman), Steve Rogers and Greg Riley.

The key responsibilities of the Remuneration and Nomination Committee are:-
- Management is responsible for recommending remuneration practices and policies. The Committee has the right to review, approve or refer to the Board for its approval, remuneration practices and policies;
- In relation to employees generally, the Committee reviews and approves remuneration policies and practices;
- In relation to senior management, the Committee reviews remuneration policies and practices and makes recommendations to the Board regarding their approval;
- In relation to the Executive Chairman, Managing Director, Company Secretary, and the CFO, the Committee determines and makes recommendations to the Board on remuneration packages and other terms of employment having regard to the need to attract, retain and develop appropriately skilled people;
- Each member of the senior management team is employed under a contract covering a range of matters including their duties, rights, responsibilities and entitlements on termination;

Corporate Governance Statement (continued)

Principal 8 - Recommendation 8.1 & 8.2 (continued)

- Remuneration of the senior management team is reviewed on an annual basis by the Committee having regard to personal and corporate performance and relevant comparative information;
- Remuneration for senior executives presently comprises a salary per annum, reviewed annually with reference to the progress of CML. Each may also be entitled to an annual bonus determined by the Managing Director or the Chairperson, reviewed by the Committee, and approved by the Board at the Board's absolute discretion; and
- Going forward the Committee may recommend a longer-term incentive component for the executive and senior management remuneration packages (equity based).

Recommendation 8.3 - Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives.

The remuneration policy, which sets the terms and conditions for the key management personnel, was developed by the remuneration committee and approved by the Board. All executives receive a base salary and superannuation.

Fringe benefits and performance incentives apply in some instances. The remuneration committee reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is measured against criteria agreed half yearly which is based on the forecast growth of the company's profits and shareholders value. The policy is designed to attract and retain the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Non-executive Directors are paid a fixed fee from a pool which can only be varied at a general meeting. The maximum aggregate remuneration of $100,000 per annum was approved by shareholders on 4 November 2009. Executive directors are not paid directors' fees in addition to their remuneration as executives.

The amount of remuneration for executive directors, including all monetary and non-monetary components, are detailed in the Remuneration Report section of the Directors' Report. All remuneration paid to executives is valued at the cost to the company and expensed.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

Recommendation 8.4 - Companies should provide the information indicated in the Guide to reporting on Principle 8.

This Information is contained in commentary for Recommendations 8.1 to 8.3. Further information on remuneration and the committee is contained in the Directors' Report.

HALLCHADWICK

Chartered Accountants and Business Advisers

CAREERS MULTILIST LIMITED
ABN 88 098 952 277
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CAREERS MULTILIST LIMITED
AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 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.

Hall Chadwick
Level 29, 31 Market Street
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Drew Townsend
Partner

Date: 28 September 2012

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CareersMultiList

Financial Report

for the year ended 30 June 2012

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CareersMultiList
CareersMultiList provides value to its clients through
innovative Human Capital Solutions

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2012

	Note	Consolidated Group 2012 $ 000's	Consolidated Group 2011 $ 000's
Revenue	2	**71,968**	17,893
Expenditure			
Agency fees		**(12,232)**	(8,045)
Employee benefit expense (direct employees)		**(3,580)**	(2,049)
Employee benefit expense (on-hire staff)		**(49,486)**	(5,280)
Depreciation and amortisation expense		**(120)**	(73)
Finance costs		**(245)**	(88)
Rent		**(359)**	(247)
One off impairment of receivables		**(274)**	-
Bad and doubtful debts		**(242)**	(85)
Other expenses		**(4,201)**	(834)
Total expenditure		**(70,739)**	(16,701)
Profit before Income Tax		**1,229**	1,192
Income tax (expense)	4	**(369)**	(361)
Profit attributable to members of the parent entity		**860**	831
Other comprehensive income		**-**	-
Total comprehensive income for the year		**860**	831
Earnings per Share:			
Basic and diluted earnings per share (cents)	26	**1.54**	1.61

The accompanying notes to the financial statements are included on pages 24-49

Consolidated Statement of Financial Position
As at 30 June 2012

	Note	Consolidated Group 2012 $ 000's	2011 $ 000's
Current Assets			
Cash and cash equivalents	5	**3,728**	1,005
Trade and other receivables	6	**4,751**	3,323
Other current assets	7	**173**	161
		8,652	4,489
Non Current Assets			
Plant and equipment	8	**242**	111
Deferred tax assets	4c	**985**	232
Intangible assets	9	**5,167**	2,591
		6,394	2,934
Total Assets		**15,046**	7,423
Current Liabilities			
Trade and other payables	10	**5,583**	2,254
Borrowings	11	**3,644**	230
Current tax liabilities	4d	**263**	529
Short-term provisions	12	**1,462**	105
		10,952	3,118
Non Current Liabilities			
Borrowings	11	**-**	1,177
Long-term provisions	12	**29**	100
		29	1,277
Total Liabilities		**10,981**	4,395
Net Assets		**4,065**	3,028
Equity			
Issued capital	13	**4,731**	3,992
Retained losses		**(666)**	(964)
Total Equity		**4,065**	3,028

The accompanying notes to the financial statements are included on pages 24-49

Consolidated Statement of Changes in Equity
for the year ended 30 June 2012

		Consolidated Group		
		Share Capital	Accumulated Losses	Total Equity
	Note	$ 000's	$ 000's	$ 000's
Balance at 1 July 2010		3,404	(1,549)	1,855
Total comprehensive income for the year		-	831	831
Transactions with owners in their capacity as owners :-				
Share based payments		627	-	627
Share issue costs		(39)	-	(39)
Dividends provided for or paid	14	-	(246)	(246)
Balance at 30 June 2011		3,992	(964)	3,028
Balance at 1 July 2011		**3,992**	**(964)**	**3,028**
Total comprehensive income for the year		-	**860**	**860**
Transactions with owners in their capacity as owners :-				
Shares issued		**764**	-	**764**
Share issue costs		**(25)**	-	**(25)**
Dividends provided for or paid	14	-	**(562)**	**(562)**
Balance at 30 June 2012		**4,731**	**(666)**	**4,065**

The accompanying notes to the financial statements are included on pages 24-49

Consolidated Statement of Cash Flows
for the year ended 30 June 2012

	Note	Consolidated Group 2012 $ 000's	2011 $ 000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**69,987**	17,737
Payments to suppliers and employees		**(68,208)**	(17,531)
Interest received		**36**	19
Finance costs		**(245)**	(44)
Income tax paid		**(1,388)**	(7)
Net cash provided by operating activities	25(b)	**182**	174
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**(252)**	(59)
Payment for subsidiary, net of cash acquired		**(4,118)**	(500)
Net cash (used in) investing activities		**(4,370)**	(559)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**764**	627
Cost of capital raising		**(25)**	(53)
Proceeds from borrowings		**880**	-
Repayment of borrowings		**-**	(108)
Dividends paid to company's shareholders		**(563)**	(497)
Net cash (used in)/ provided by financing activities		**1,056**	(31)
Net (decrease)/ increase in cash held		**(3,132)**	(416)
Cash acquired on acquisition of subsidiary		**4,499**	-
Cash at the beginning of the financial year		**1,000**	1,416
Cash at the end of the financial year	25(a)	**2,367**	1,000

The accompanying notes to the financial statements are included on pages 24-49

Notes to the Financial Statements
for the year ended 30 June 2012

NOTE 1 Summary of significant accounting policies

Theses consolidated financial statements and notes represent those of Careers Multidisc Limited and controlled entities ("group").

The separate financial statements of the parent entity, Careers Multidisc Limited, have been presented within this report as permitted by the *Corporations Act 2001.*

The financial statements were authorised for issue on 28 September 2012 by the directors of the company.

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 (AASB) and the Corporations Act 2001. The group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB 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 lASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cashflow 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 asset, financial assets and financial liabilities.

Going Concern

As at 30 June 2012 there is a deficiency of net assets of $2.3m. This deficiency arose as a result of a loan agreement entered into with the ANZ Bank Group Limited (ANZ) under which ANZ may request full repayment of the loan at each annual review date. The directors are of the opinion that the company will not be required to repay the loan at each and every review date.

(a) ***Principles of consolidation***

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Careers MultiList Limited at the end of the reporting period. A controlled entity is any entity over which Careers MultiList 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 21 to the financial statements.

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

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 1 Summary of significant accounting policies (continued)

The acquisition may result in the recognition of goodwill (refer to Note 1 (g)) or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement.

Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.
The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value uplifts in the value of the pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value *(full goodwill method)* or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets *(proportionate interest method).* In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Refer to Note 20 for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 1 Summary of significant accounting policies (continued)

(b) ***Revenue***

Revenue is measured at a fair value of the consideration received or receivable . Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue for the major business activity of franchise services to the recruitment industry when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

(c) ***Income tax***

The income tax expense for the year comprises current income tax expense 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 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.

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.

(d) ***Leases***

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases (Note 19). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

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 charged 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 life of the lease term.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 1 **Summary of significant accounting policies (continued)**

(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 transaction costs, except where the installment 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

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method;* and
d. less any reduction for impairment

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through 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 of the financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense 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. *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. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

ii. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

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.

Impairment

At the end of each reporting period , the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised' in the statement of comprehensive income.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no-longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 1 Summary of significant accounting policies (continued)

(f) ***Impairment of assets***

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) ***Intangibles***

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;
(ii) any non-controlling interest; and
(iii) the acquisition date fair value of any previously held equity interest,

over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value *(full goodwill method)* or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets *(proportionate interest method).* The Group determines which method to adopt for each acquisition.

Under the *full goodwill method ,* the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Refer to Note 9 for information on the goodwill policy adopted by the Group for acquisitions. Goodwill on acquisitions of subsidiaries is included in intangible assets.

(h) ***Cash and cash equivalents***

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(i) ***Trade receivables***

Trade receivables are recognised initially at fair value less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in comprehensive income.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 1 Summary of significant accounting policies (continued)

(j) ***Plant and equipment***

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a diminishing balance or straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Leasehold improvements are depreciated over the shorter of either the expired period of the lease or the estimated useful lives of the improvements. The following estimated useful lives are used in the calculation of depreciation :-

	Depreciation rate
Motor vehicles	20-25%
Office equipment	20-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(k) ***Trade and other payables***

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) ***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the period in which they are incurred.

(m) ***Employee benefits***

(i) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) *Other long-term employee benefit obligations*

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 service 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.

(iii) *Share-based payments*

Share-based compensation benefits may be provided to directors and employees.

The fair value of shares or options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares/options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 1 Summary of significant accounting policies (continued)

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(n) ***Dividends***

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(o) ***Earnings per share***

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity, other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of 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.

(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).

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) ***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 of items in the financial statements 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.

(r) ***Rounding of Amounts***

The parent entity has applied the relief available to it under ASIC Class Order 98/100. Accordingly, amounts in the financial statements and directors' report have been rounded off where appropriate to the nearest $1,000.

(s) ***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.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 1 Summary of significant accounting policies (continued)

Key estimates

(i) *Impairment – general*

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.
The discounted cash flow method has been used to arrive at the carrying value of goodwill in the accounts.
No impairment has been recognised in respect of goodwill at the end of the reporting period.

(ii) *Impairment – carbon price*

There is presently uncertainty in relation to the impacts of the carbon pricing mechanism recently introduced by the Australian Government. This carbon pricing system could potentially affect the assumptions underlying value-in-use calculations used for asset impairment testing purposes. The consolidated entity has not incorporated the effect of any carbon price implementation in its impairment testing at 30 June 2012.

Key judgments

(i) *Provision for impairment of receivables*

Included in trade receivables at the end of the reporting period is an amount receivable from sales made to a variety of companies during the current financial year amounting to $135,000.

(t) 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
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.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 1 Summary of significant accounting policies (continued)

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.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

AASB 2010-8: Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).
This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes - Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Group.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

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. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

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). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

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.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 1 Summary of significant accounting policies (continued)

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 17, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (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 not expected to significantly impact the Group.

AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Group.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB101, AASB124, AASB134, AASB1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of :-

(i) for an offer that may be withdrawn - when the employee accepts;
(ii) for an offer that cannot be withdrawn - when the offer is communicated to affected employees; and
(iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions - when the related restructuring costs are recognised.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

	Consolidated Group	
	2012	2011
	$ 000's	$ 000's
NOTE 2 Revenue		
Revenue from continuing operations		
(a) **Services**		
- human resource solutions including migration, contract management, on-hire services and recruitment	**70,827**	16,484
(b) **Other revenue**		
- Interest received – other entities	**36**	20
- Royalties	**883**	1,147
- Other	**222**	242
Total revenue	**71,968**	17,893

Notes to the Financial Statement for the year ended 30 June 2012

	Consolidated Group	
	2012	2011
	$ 000's	$ 000's
NOTE 3 Expenses		
Profit before income tax from continuing operations includes the following specific expenses:-		
Depreciation and amortisation expense	**120**	73
Interest expense	**245**	88
Bad and doubtful debts	**242**	85
Rental expenses on operating leases	**359**	247
NOTE 4 Income Tax Expense		
(a) The components of Tax expense comprise:		
Current tax	**(266)**	326
Deferred tax	**635**	35
	369	361
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2011:30%)	**369**	358
Add tax effect of:		
Other non-allowable items	**-**	3
Income tax expense	**369**	361
The applicable weighted average tax rates are as follows:	**30%**	30%
(c) Deferred taxation		
The balance comprises temporary differences attributable to :-		
Provisions	**447**	92
Other	**538**	140
Total deferred tax assets	**985**	232
Net deferred tax assets	**985**	232
(d) Income Tax Payable	**263**	529
NOTE 5 Cash and cash equivalents		
Cash at bank and in hand	**3,728**	1,005
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	**3,728**	1,005
Bank overdraft	**(1,361)**	(5)
Balances as per statement of cash flows	**2,367**	1,000
NOTE 6 Trade and other receivables		
CURRENT:		
Trade receivables	**4,886**	2,855
Provision for impairment	**(135)**	(69)
Other receivables	**-**	537
	4,751	3,323

Notes to the Financial Statement for the year ended 30 June 2012

	Consolidated Group	
	2012	2011
	$ 000's	$ 000's

NOTE 6 Trade and other receivables (continued)

(a) **Impaired trade receivables**

As at 30 June 2012 current trade receivables of the group with a nominal value of $135,000 (2011 : $69,000) was impaired. The individually impaired receivables mainly relate to franchisees, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

	2012	2011
The ageing of these receivables is as follows:		
30-60 days	**-**	-
Over 60 days	**135**	69
	135	69

	2012	2011
Movements in the provision for impairment of receivables are as follows:-		
As at 1 July	**69**	120
Provision for impairment recognised during the year	**308**	81
Receivables written off during the year as uncollectable	**(242)**	(132)
As at 30 June	**135**	69

(b) **Past due but not impaired**

As at 30 June 2012, trade receivables of $626,813 (2011 : $865,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows :-

	2012	2011
Less than 30 days	**33**	382
31-60 days	**11**	159
61-90 days	**233**	77
Greater than 90 days	**350**	247
	627	865

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The group does not hold any collateral in relation to these receivables.

(c) **Interest rate risk**

Information about the Group's and the parent entity's exposure to interest rate risk in relation to trade and other receivables is provided in Note 16.

(d) **Credit terms**

Credit terms which apply to trade customers are payment within 30 days from date of invoice.

(e) **Fair value and credit risk**

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 16 for further information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

NOTE 7 Other Current Assets

	2012	2011
Prepayments	**173**	161

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 8 Plant & Equipment

	Consolidated Group 2012 $ 000's	Consolidated Group 2011 $ 000's
Leased motor vehicles		
At cost	**66**	66
Accumulated depreciation	**(57)**	(48)
	9	18
Office equipment		
At cost	**943**	692
Accumulated depreciation	**(710)**	(599)
	233	93
Total Plant & Equipment	**242**	111

2012 Consolidated :-	Consolidated Group Leased Motor Vehicle	Office Equipment	Total
Balance at the beginning of the financial year	**18**	**93**	**111**
Additions	**-**	**126**	**126**
Acquired on business combination	**-**	**125**	**125**
Disposals	**-**	**-**	**-**
Depreciation	**(9)**	**(111)**	**(120)**
Carrying amount at the end of the financial year	**9**	**233**	**242**

2011 Consolidated :-	Leased Motor Vehicle	Office Equipment	Total
Balance at the beginning of the financial year	28	122	150
Additions	29	25	54
Acquired on business combination	-	-	-
Disposals	(21)	-	(21)
Depreciation	(18)	(54)	(72)
Carrying amount at the end of the financial year	18	93	111

Plant and equipment has been tested for impairment at 30 June 2012 resulting in no impairment loss.

NOTE 9 Intangible Assets

	2012	2011
Goodwill :-		
Opening net book balance	**2,591**	2,565
Adjustment to goodwill on acquisition of business in previous year	**-**	26
Acquisition of business in current year	**2,576**	-
Net book value	**5,167**	2,591

Intangible assets have been tested for impairment at 30 June 2012 resulting in no impairment loss (2011 : $0).

Intangible assets, other than goodwill, have finite useful lives. Goodwill has an infinite life. The Intangible assets comprise goodwill recognised on;

-the acquisition of Lester Australia Limited on 19 September 2011 amounting to $2,576,028
-the acquisition of Zenith Management Services Pty Ltd in FY2010 amounting to $2,416,000
and the acquisition of an independent contractors Agreement from Lex Brown, with goodwill of $175,000.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 9 Intangible assets (continued)

(a) **Impairment tests for goodwill**

The recoverable amount of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The growth rate does not exceed the long-term average growth rate for the business in which the business operates.

The growth rate used is considered reasonable based on industry trends. The value in use calculations are on the basis of budgeted results for the 2013 and actual results for the 2012 financial years.

Growth Rate		Discount Rate	
2012	2011	**2012**	2011
%	%	**%**	%
6	10	**10**	10

(b) **Impairment charge**

Intangible assets have been tested for impairment at 30 June 2010, 30 June 2011 and 30 June 2012 resulting in no impairment charge.

(c) **Impact of possible changes in key assumptions**

If the budgeted growth rate had been 12% lower than management estimates of 24%, the group would have recognised an impairment of goodwill of $39,055 (2011 : $64,000).

If the estimated cost of capital used in determining the discount rate for goodwill had been 1% higher than managements' estimates of 10%, the group would not have to recognise an impairment of goodwill.

	Consolidated Group	
	2012	2011
	$ 000's	$ 000's
NOTE 10 Trade and other payables		
CURRENT:		
Unsecured liabilities		
Trade payables	**2,021**	992
Sundry payables and accrued expenses	**3,562**	1,132
Unearned revenue	**-**	130
	5,583	2,254
NOTE 11 Borrowings		
CURRENT:		
Unsecured		
Lease liability	**4**	5
Secured		
Commercial bills	**2,280**	220
Agency Partner Finance Facility-Bank of Queensland	**880**	-
Bank overdraft	**480**	5
	3,644	230
NON CURRENT:		
Unsecured		
Lease liability	**-**	11
Secured		
Commercial bills	**-**	1,166
	-	1,177

Note: The Commercial Bills are shown as a current liability as the facility is due for renewal on 12 October 2012. This facility is renewed annually and based on the company's past and forecast performance, the directors as confident that this facility will be renewed for a further 12 months or longer.

Notes to the Financial Statement for the year ended 30 June 2012

		Consolidated Group	
		2012	2011
		$ 000's	$ 000's

NOTE 11 Borrowings (continued)

(a) **Financing arrangements**

The major facilities are summarised as follows :-

Bank overdrafts	Arranged with ANZ Bank at standard variable interest rate	**500**	500
Commercial bill facility:	5 year capped interest rate facility with ANZ Bank expiring 4 November 2014	**2,000**	2,000

(b) **Secured liabilities and assets pledged as security**

The total secured liabilities (current and non-current) are as follows:-

Commercial bills	**2,260**	1,386
ANZ Bank overdraft	**480**	5
Agency Partner Finance Facility-Bank of Queensland	**880**	-
	3,620	1,391

The commercial bill is secured by floating charges over the assets of Careers MultiList Limited and Zenith Management Services Pty Ltd. Financial covenants imposed by the bank are:-

- Consolidated Interest Cover Ratio (the interest cover ratio for each financial half year to be greater than 2.5:1)
- Consolidated debt to EBITDA ratio which must be greater than 2:1 in 2012 and onwards.

An Executive Directors guarantee has also been provided.

(c) **Risk exposure**

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 16.

NOTE 12 Provisions

Current		
Employee benefits	**1,462**	105
Reconciliation of movement in the liability is recognised in the balance sheet as follows:-		
Balance at the beginning of the financial year	**105**	120
(Decrease)/increase in provision	**1,357**	(15)
Balance at end of the financial year	**1,462**	105
Non Current		
Employee benefits	**29**	100
Reconciliation of movement in the liability is recognized in the balance sheet as follows:-		
Balance at the beginning of the financial year	**100**	108
(Decrease)/increase in provision	**(71)**	(8)
Balance at end of the financial year	**29**	100

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(m)(i) and (ii) of the financial statements.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 13 Contributed equity

	Consolidated Group 2012 $ 000's	2011 $ 000's
Issued Capital		
Balance at beginning of financial year		
55,513,642 Ordinary Shares fully paid (2011 : 50,063,642)	**3,992**	3,405
Shares issued or under issue during the year :-		
Share placement of 5,450,000 Ordinary share @ 11.5c	**-**	626
Less transaction costs arising from share placement	**-**	(39)
Share issue of 6,942,029 Ordinary share @ 11c	**764**	-
Less transaction costs arising from share placement	**(25)**	-
Balance at end of financial year		
62,455,671 Ordinary Shares fully paid (2011 : 55,513,642)	**4,731**	3,992

Notes :

On 8 March 2012 the Company issued 1,487,500 Ordinary shares at 11.0c in consideration for the acquisition of Lester Australia Limited.

On 29 June 2012 the Company issued 5,454,529 Ordinary shares at 11.0c pursuant to the Share Purchase Plan and associated underwritings.

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. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Capital risk management

The Group and the parent entity's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

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.

There are no externally imposed capital requirements and the Group's capital management strategy has not changed during the reporting period. This strategy is to ensure that the Group's gearing ratio remains under 80%. The gearing ratio's for the year ended 30 June 2012 and 30 June 2011 are as follows:

	2012	2011
Total borrowings	**3,644**	1,407
Less Cash and cash equivalents	**(3,728)**	(1,005)
Trade and other payables	**5,583**	2,254
Net debt	**5,499**	2,656
Total equity	**4,065**	3,028
Total capital	**9,564**	5,684
Gearing ratio	**57.5%**	46.7%

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 14 Dividends

	Consolidated Group 2012 $ 000's	2011 $ 000's
Ordinary shares		
Interim dividend for year ended 30 June 2012 of 0.50 cents (2011: 0.5 cents) per fully paid share paid on 4 April 2012 (2010: 16 March 2011) Fully franked at tax rate of 30% (2011:30%)	**285**	250
Proposed final dividend for year ended 30 June 2012 of 0.50 cents (2011: 0.5 cents) per fully paid share paid on 22 October 2012 (2010: 30 September 2011) Fully franked at tax rate of 30% (2011:30%)	**312**	278

Franking credits

The franked portions of the final dividends recommended but not paid at 30 June 2012 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2013.

	2012	2011
Franking credits available for subsequent financial years based on a tax rate of 30%	**1,148**	194

The above amounts represent the balance of the franking account as at the end of the reporting period and has not been adjusted for :-

(a) franking credits that will arise from the payment of the amount of the provision for income tax;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

The impact on the franking account of the final dividend recommended by the directors since the end of the reporting period, but not recognised as a liability at the reporting date, will be a reduction in the franking account of $133,833.

NOTE 15 Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity:-

	2012	2011
Audit and review of the financial statements	**58**	44
Other services:		
Taxation services	**-**	-
	58	44

NOTE 16 Financial Risk Management

Financial Risk Management Policies

The Audit Committee has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Group. The audit committee monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to financing risk and interest rate risk.

The Group's overall risk management strategy is to ensure that financial targets are met, while minimising potential adverse effects on financial performance relating to current and future cash flow requirements.

The Group's financial instruments consist mainly of deposit with banks, accounts receivable, investments, and trade and other payables.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 16 Financial risk management (continued)

The total 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:

	Consolidated Group	
	2012	2011
	$ 000's	$ 000's
Financial Assets		
Cash and cash equivalents	**3,728**	1,005
Trade and other receivables	**4,751**	3,323
Other current assets	**173**	161
	8,652	4,489
Financial liabilities		
Trade and other payables	**5,583**	2,254
Borrowings (commercial bills)	**2,260**	1,386
Bank overdraft	**1,361**	5
Lease liability	**4**	16
	9,208	3,661

(a) Cash flow and fair value interest rate risk

The group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk if the borrowings are carried at fair value.

The group's fixed rate borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

Interest rate risk is managed using a mix of fixed and floating rate debt. Other than finance leases, which are fixed rate debt, 100% of group debt is fixed rate at report date. It is the policy of the Group to keep between 50% and 100% of debt on fixed interest rates.

Sensitivity Analysis

The following table illustrates sensitivities to the Group’s exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	2012	2011
+/- 2% in interest rate		
Equity	**81**	60
Profit	**17**	17

For assets and liabilities the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

(b) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposure to customers as outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of ‘AA’ are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Group. The compliance with credit limits by customers is regularly monitored by line management. Sales to customers are required to be settled in cash, mitigating credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets summarised in the following table. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 16 **Financial risk management (continued)**

	Consolidated Group 2012 $ 000's	Consolidated Group 2011 $ 000's
Trade receivables		
Counterparts with external credit rating (Moody's)		
AAA Federal government departments and instrumentalities	**37**	823
Counterparts without external credit rating		
Group 1	**4,849**	2,501
Group 2	**-**	-
Group 3	**-**	-
Total trade receivables	**4,886**	3,324
Cash at bank and short-term bank deposits		
AA2	**3,728**	1,005

Group 1 — new customers (less than 6 months)
Group 2 — existing customers (more than 6 months) with no defaults in the past
Group 3 — existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational and financing activities;
- ensuring that adequate capital raising activities are undertaken;
- maintaining a reputable credit profile; and
- investing surplus cash only with major financial institutions.

Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (Note 5) on the basis of expected cash flows. The Group' policy is to ensure that no more than 30% of borrowings should mature in any 12 month period.

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2012	2011
Floating rate		
Expiring within one year (bank overdraft and bill facility)	**20**	500
Expiring beyond one year (bank overdraft and bill facility)	**1,120**	500
	1,140	1,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

The commercial bill is secured by floating charges over the assets of Careers MultiList Limited and Zenith Management Services Pty Ltd. Covenants imposed by the bank are:-

- Consolidated Interest Cover Ratio: The interest cover ratio for each financial half year to be greater than 2.5:1;
- Consolidated debt to EBITDA ratio: must be greater than 2:1 in 2012 and thereafter; and
- an Executive Directors guarantee has been provided.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 16 **Financial risk management** (continued)

The following tables reflect undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments:

As at 30 June 2012	**Less than 1 year $ 000's**	**1 to 5 years $ 000's**	**More than 5 years $ 000's**	**Total contractual cash flows $ 000's**	**Carrying value $ 000's**
Trade and other payables	**5,583**	**-**	**-**	**-**	**5,583**
Finance leases	**4**	**-**	**-**	**-**	**4**
Bank overdrafts and commercial bills	**3,640**	**-**	**-**	**-**	**3,640**
Total financial liabilities	**9,227**	**-**	**-**	**-**	**9,227**

As at 30 June 2011	Less than 1 year $ 000's	1 to 5 years $ 000's	More than 5 years $ 000's	Total contractual cash flows $ 000's	Carrying value $ 000's
Trade and other payables	2,254	-	-	-	2,254
Finance leases	5	11	-	-	16
Bank overdrafts and commercial bills	225	1,166	-	-	1,391
Total financial liabilities	2,484	1,177	-	-	3,661

Fair value estimation

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of current borrowings approximates the carrying amount, as the impact of any discounting is not significant.

NOTE 17 **Segment Information**

Identification of reportable segments

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:-

- the products sold and/or services provided by the segment;
- the type or class of customer for the products or services;
- any external regulatory requirements

Types of products and services by segment

i *Recruitment*

The Recruitment segment includes revenue from the supply of temporary, contract and permanent staff. The Recruitment segment receives invoices from franchisees for supply of temporary, contract and permanent staff to recruitment clients of Careers MultiList Limited.

ii *Franchising*

The Franchising segment includes recurring fees received from franchisees. At the time of this report there were 92 franchisees nationally.

iii *Services*

The Services segment includes income from services complementary to recruitment. The key income streams are payroll outsourcing, cataloguing services for library clients and software.

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 17 Segment Information (continued)

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Inter-segment transactions

There are no Inter-segment transactions.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(e) Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:-

- Income tax expense
- Deferred tax assets and liabilities
- Intangible assets

(f) Comparative information

Year ended 30 June 2012	**Recruitment $ 000's**	**Franchising $ 000's**	**Services $ 000's**	**Corporate/ Unallocated $ 000's**	**Total $ 000's**
Total segment revenue	**11,208**	**887**	**59,837**	**-**	**71,932**
Adjusted Profit before income tax	**1,224**	**(130)**	**1,092**	**(627)**	**1,559**

Year ended 30 June 2011	**Recruitment $ 000's**	**Franchising $ 000's**	**Services $ 000's**	**Corporate/ Unallocated $ 000's**	**Total $ 000's**
Total segment revenue	14,647	1,206	2,029	20	17,902
Adjusted Profit before income tax	852	378	380	(257)	1,353

The Board assesses the performance of the operating segments based on a measure of adjusted Profit/(loss) before income tax . This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. Furthermore, the measure excludes the effects of equity-settled share-based payments and unrealised gains/(losses) on financial instruments. Interest income and expenditure are also not allocated to segments.

A reconciliation of adjusted Profit before income tax to operating profit before income tax is provided as follows:-

	Consolidated Group	
	2012 $ 000's	**2011 $ 000's**
Adjusted Profit before income tax	**1,559**	1,353
Depreciation and amortisation	**(120)**	(73)
Finance costs	**(245)**	(88)
Interest Income	**35**	-
Profit before income tax	**1,229**	1,192

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 17 Segment Information (continued)

Segment assets

The nature of the business is such that assets are used across all segments cannot be identified as relating to a specific segment. The net book value of assets is $15,046,466 (2011: $7,423,410) per the consolidated statement of financial position. All assets are based in Australia.

Segment liabilities

The nature of the business is such that liabilities cannot be identified as relating to a specific segment. The net value of liabilities is $10,981,577 (2011: $4,395,131) per the consolidated statement of financial position.

Major customers

The Group has a number of customers to which it provides both products and services. The Group supplies one single external customer in the Government segment which accounts for 4.3% of external revenue (2010: 16.5%). The next most significant client accounts for 4.2% (2010: 11.8%) of external revenue. All external revenue attributable to external customers was generated from Australia for the year ended 30 June 2012.

NOTE 18 Contingent liabilities

There were no contingent liabilities at balance date.

NOTE 19 Commitments

(a) *Capital commitments*

There are no capital expenditure commitments as at 30 June 2012 (2011 - nil)

(b) *Lease commitments – Group as lessee*

(i) *Non-cancellable operating leases*

The property lease for Zenith Management Services Pty Ltd is a non-cancellable lease with a three year term commencing 1 April 2010, with rent payable monthly in advance. Rental provisions within the lease agreement require the minimum lease payments shall be increased by 3.5% per annum.

The current property lease for CML expires on 28 February 2013. A new 5 year lease has been negotiated that commences on 1 March 2013, with rent payable monthly in advance. Rental provisions with the lease agreement require the minimum lease payments shall increase by 4% per annum with a market review in year 4.

	Consolidated Group	
	2012	2011
	$ 000's	$ 000's
Non-cancellable operating leases contracted but not capitalised in the financial statements		
- Payable not later than one year	**236**	227
- Longer than 1 year and not longer than 5 years	**604**	105
	840	332
(ii) *Finance leases*		
The Group leases various plant and equipment with a carrying amount of $3,500 (2011:$28,125) under finance leases expiring within 1 to 3 years.		
Commitments in relation to finance leases are payable as follows:-		
- Payable not later than one year	**4**	13
- Longer than 1 year and not longer than 5 years	**-**	13
Minimum lease payments	**5**	26
Less future finance charges	**(1)**	(10)
	4	16

Notes to the Financial Statement for the year ended 30 June 2012

		Consolidated Group	
		2012	2011
		$ 000's	$ 000's

NOTE 20 Acquisition of Entity

On 19 September 2011, the Company acquired 100% of the shares in Lester Australia Limited (referred to as "Lester Associates"). Lester Associates is a contractor management, outsourced payroll and migration company including on hire of skilled workers holding 457 visas. Lesters Associates services compliment the Company's current offering to recruitment agencies, corporate clients and Government departments. This follows the strategy detailed in the Careers MultList Prospectus dated 26 November 2009. Lester associates has operated in Australia for 13 years and annually generates revenue of in excess of $60m and earning before interest and tax of approximately $1m.

The total purchase consideration was $4,281,630 paid in cash and shares as follows :-

		2012	2011
Cash	September 2011	**1,488**	-
	November 2011	**1,158**	-
	March 2012	**982**	-
	May 2012	**490**	-
Shares	May 2012	**164**	-
Total purchase consideration		**4,282**	-

Details of the net assets acquired and goodwill are as follows :-

	2012	2011
Purchase consideration	**4,282**	-
Less assets and liabilities recognised as a result of the acquisition are as follows :-		
Cash	**4,499**	-
Trade receivables	**807**	-
Other current assets	**140**	-
Plant & equipment	**125**	-
Deferred tax assets	**735**	-
Trade payables	**(2,893)**	-
Provision for employee benefits	**(1,327)**	-
Deferred tax liability	**(41)**	-
Provision for tax	**(339)**	-
Net identifiable assets acquired	**1,706**	-
Goodwill	**2,576**	-

The acquired business contributed $52.0m in revenues and $1.1m net profit before tax for the period from acquisition date, 19 September 2011 to 30 June 2012. If the acquired entity was consolidated for the full year it would have contributed $66.3m in revenues and $1.3m in net profit before tax.

NOTE 21 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b)

	Country of Incorporation	2012 %	2011 %
Ultimate Parent Entity			
Careers MultiList Limited	Australia		
Controlled Entities			
CMLPayroll Pty Limited	Australia	100%	0%
Zenith Management Services Group Pty Limited	Australia	100%	100%
The Lester Partnership Pty Limited	Australia	100%	0%
Lester Payroll Services Pty Limited	Australia	100%	0%
Lester Associates Good Migration Pty Limited	Australia	100%	0%
Lester Associates Business Services Pty Limited	Australia	100%	0%

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 22 Related Party Disclosures

(a) *Parent entity*
The Parent entity and ultimate parent entity is Careers MultiList Limited.

(b) *Controlled entities and joint venture entities*
Controlled entities and joint venture entities are detailed in Note 20 to the financial statements

(c) *Key management personnel*
Details of key management personnel, their positions, remuneration and number of shares held are detailed in the Remuneration Report within the Directors' Report.

(d) *Transaction with related parties*
The following transactions occurred with related parties :-

Careers MultiList Limited provides administration support to Lester Australia Limited
Lester Australia Limited provides administration support to Careers MultiList Limited

Rusher Business Trust T/A Rusher Rogers Recruiting, in its capacity as a Careers MultiList Limited franchisee, provides staff to Careers MultiList Limited clients. Total sales from Rusher Business Trust T/A Rusher Rogers Recruiting to Careers MultiList Limited was $3,027,063 for the year ended 30 June 2012.

Rusher Business Trust T/A Rusher Rogers Recruiting was billed by Careers MultiList Limited at total of $70,462 for franchise fees and other services for the year ended 30 June 2012.

(e) Loans to related parties
There were no loan amounts with related parties during the year.

NOTE 23 Parent Entity Disclosures

	Consolidated Group	
The individual financial statements for the parent entity show the following aggregate amounts:-	**2012** **$ 000's**	**2011** **$ 000's**
Statement of Financial Position		
Current assets	**2,714**	2,804
Non current assets	**5,544**	2,808
Total assets	**8,258**	5,612
Current liabilities	**6,372**	3,244
Non current liabilities	**11**	1,221
Total liabilities	**6,383**	4,465
Net Assets	**1,875**	1,147
Shareholders’ equity		
Contributed equity	**4,731**	3,992
Retained losses	**(2,856)**	(2,845)
Total equity	**1,875**	1,147
Net Loss for the year after tax	**(11)**	411
Total Comprehensive Loss	**(11)**	411

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 24 **Subsequent events**

The financial performance of the Company and the Board's confidence in its earnings outlook underpin the Board's decision on 31 August 2012 to declare a fully franked final dividend of 0.5 cps, payable on 22 October 2012 with a Record Date of 2 October 2012.

Other than the declaration of a dividend no material matters have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

NOTE 25 **Cash flow information**

		Consolidated Group	
		2012	2011
		$ 000's	$ 000's
(a)	*Reconciliation of cash*		
	For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flow is reconciled to the related items in the statement of financial position as follows:		
	Cash and cash equivalents	**3,728**	1,005
	Bank overdraft	**(1,361)**	(5)
		2,367	1,000
(b)	*Reconciliation of profit/(loss) from ordinary activities after related income tax to to net cash flows from operating activities*		
	Profit/(loss) from ordinary activities after related income tax	**860**	832
	Depreciation and amortisation of non-current assets	**120**	73
	Changes in assets and liability, net of effect of purchases of subsidiaries;		
	Increase in current receivables and other current assets	**(493)**	(750)
	Decrease in deferred tax assets	**(59)**	34
	Decrease in provisions	**(41)**	(23)
	Decrease in trade and other payables	**400**	(311)
	Increase in Income tax payable	**(605)**	319
	Net cash from operating activities	**182**	174
(c)	*Non-cash financing and investing activities*		
	Share issue as part consideration for acquisition of a business	**164**	-
(d)	*Credit stand by arrangements with banks*		
	Credit facility	**2,500**	2,000
	Amount utilised	**(2,480)**	(1,386)
		20	614
	Details of credit facilities are set out in note 15(a).		
(e)	*Acquisition of entities*		
	Careers MultiList Limited has acquired 100% ownership in Lester Australia Limited		
	Purchase consideration	**4,282**	-
	Cash acquired	**(4,499)**	-
	Net cash acquired	**(217)**	-
	Assets and liabilities held at acquisition date :-		
	Receivables	**807**	-
	Cash acquired	**4,499**	-
	Payables	**(4,559)**	-
	Other	**959**	-
		1,706	-
	Goodwill on consolidation	**2,576**	-

Notes to the Financial Statement for the year ended 30 June 2012

NOTE 26 Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows :-

	Consolidated Group	
	2012	2011
	$ 000's	$ 000's
Earnings	**860**	831
	000's	000's
Weighted average number of ordinary shares	**55,993**	51,661
	cents per share	cents per share
Basic and diluted earnings per share	**1.54**	1.61

Notes :
Earnings used in the calculation of basic earnings per share are net profit after tax as per the income statement.

There are no shares which are dilutive so that there is not difference between basic earnings per share and diluted earnings per share.

Directors' Declaration

In accordance with a resolution of the Directors of Careers Multidisc Limited the Directors of the company declare that:

1 the financial statements and notes as set out on pages 20-49 are in accordance with the Corporations Act 2001; and

a comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financials statements, constitutes explicit and unreserved compliance with International Financials Reporting Standards (IFRS); and

b give a true and fair view of the financial position as at 30 June 2012 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; and

3 the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

4 The company and a wholly owned subsidiaries have entered into a Deed of Cross Guarantee under which the company and its subsidiaries guarantee the debts of each other.

At the date of this Declaration, there are reasonable grounds to believe that the companies which are party to this Deed of Cross Guarantee will be able to meet any obligations or liabilities to which they are, or may become, subject to be virtue of the Deed.

Daniel Riley
Managing Director

Sydney 28 September 2012

HALLCHADWICK
Chartered Accountants and Business Advisers

CAREERS MULTILIST LIMITED
ABN 88 098 952 277
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREERS MULTILIST LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Careers MultiList Limited which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated income statement, 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 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 (IFRS).

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 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 company's preparation 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

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HALLCHADWICK

CAREERS MULTILIST LIMITED
ABN 88 098 952 277
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREERS MULTILIST LIMITED

Auditor's Opinion

In our opinion:

a. the financial report of Careers MultiList Limited is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 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.

Report on the Remuneration Report

We have audited the remuneration report included in pages 8 to 11 of the directors' report for the year ended 30 June 2012. 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.

Auditor's Opinion

In our opinion the remuneration report of Careers MultiList Limited for the year ended 30 June 2012 complies with Section 300A of the Corporations Act 2001.

Hall Chadwick
Level 29, 31 Market Street
Sydney NSW 2000

Drew Townsend
Partner

Date: 28 September 2012

Additional Information for Publicly Listed Companies

Statement of quoted securities as at 4 September 2012

- There are 416 shareholders holding a total of 62,455,671 ordinary fully paid shares on issue by the Company.
- The twenty largest shareholders between them hold 76.22% of the total issued shares on issue.
- Voting rights for ordinary shares are that on a show of hands each member present in person or by proxy or attorney or representative shall have one vote and upon a poll every member so present shall have one vote for every fully paid share held and for each partly paid share held shall have a fraction of a vote pro-rata to the amount paid up on each partly paid share relative to its issue price.

Distribution of quoted securities as at 4 September 2012	**Range of holding**		**No. of holders**
	1 -	1,000	4
Ordinary fully paid shares	1,001 -	5,000	8
	5,001 -	10,000	257
There are 150 shareholders holding less than a marketable parcel.	10,001 -	100,000	90
	100,001 -	and over	57
		Total holders	**416**

Substantial shareholdings as at 4 September 2012

Ordinary shareholder	**Total relevant interest notified**	**% of total voting rights**
G & A RILEY INVESTMENTS PTY LIMITED	19,983,779	32.00
MR DANIEL JON RILEY <M & D RILEY SMSF A/C>	6,145,542	9.84
GREGORY RILEY	6,133,880	9.82

On-market buy-backs

There is no on-market buy back currently in place in relation to the securities of the company.

Material differences to Appendix 4E

There are no material differences to the financial statements set out in this report when compared to the information set out in the Company's Appendix 4E preliminary final statement released to the ASX on 31 August 2012.

Restricted securities

There are no restricted securities on issue by the Company.

Top Twenty Shareholders as at 4 September 2012

Rank	**Shareholder name**	**No of Shares**	**% of ordinary shares on**
1	G & A RILEY INVESTMENTS PTY LIMITED	19,983,779	32.00
2	MR DANIEL JON RILEY <M & D RILEY SMSF A/C>	6,145,542	9.84
3	GREGORY RILEY	6,133,880	9.82
4	KEISER SHIPPING TRANSPORT P/L <GANN FAMILY RETIREMENT A/C>	3,491,000	5.59
5	ANZARUT & HOLM (NSW) PTY LIMITED	1,487,500	2.38
6	MR PETER JOHN STIRLING + MRS ROSALIND VERENA STIRLING	1,000,000	1.60
7	MR ROBERT FRASER + MRS TRACY FRASER <FRASER FAMILY S/F A/C>	880,000	1.41
8	MIEK PTY LTD <THE TUTT SUPER FUND A/C>	880,000	1.41
9	EQUITAS NOMINEES PTY LIMITED <3021524 A/C>	806,363	1.29
10	CAREERS MULTILIST HOLDING COMPANY LIMITED <CML A/C>	777,400	1.24
11	MR ANDREW ROBERT PRESTON	777,130	1.24
12	LM & JP BROWN PTY LTD <LM BROWN FAMILY A/C>	700,000	1.12
13	HALENT PTY LTD <GOLDSTEIN SUPER FUND A/C>	693,770	1.11
14	RUSHER ROGERS RECRUITING PTY LTD	608,370	0.97
15	MRS JANETTE MARY KELLY	604,470	0.97
16	MR ALNIS ERNST VEDIG + MRS RASMA VEDIG <VEDIG SUPER FUND A/C>	570,000	0.91
17	MR PHILLIP ASPHAR <ASPHAR SUPER FUND A/C>	559,409	0.90
18	MRS TRACY FRASER	555,000	0.89
19	MR TIMOTHY PHILLIP KIDD VIDLER	494,755	0.79
20	CONVENIENT PTY LTD <MORTON SUPER FUND A/C>	455,000	0.73
		47,603,368	**76.22**