

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	238.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BLUEN	2.3	1.4	1.4	100.0
WAPC.N	38.2	38.4	38.3	1.6K	KDL.N	21.6	23.0	22.0	251	BOGA.N	24.8	25.3	25.3	90
INFORMATION TECHNOLOGY					0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASE.N	27.0	29.0	0.0
ECL.N	6.4	6.5	6.5	9.3K	OSEA.N	18.5	18.6	18.5	45.8K	CEPA.N	115.2	118.8	115.1	90
CH.N	1.8	1.9	1.9	467.3K	PDL.N	51.3	55.0	0.0	0	CDPO.N	68.1	71.2	68.1	100
MINING AND PROPERTY					-0.3%	SLND.N	1,210.0	1,520.0	0.0	0	DDPO.N	123.2	125.8	0.0
CO.N	99.7	106.5	101.0	10	TWOD.N	4.2	4.3	4.3	262.7K	DPL.N	14.0	14.3	14.2	21.2K
U.N	13.4	13.9	0.0	0	YORK.N	15.1	15.2	0.0	0	CLAS.N	6.5	6.6	6.5	100.2K
AN	46.6	46.7	46.7	3.9K	MANUFACTURING					GRAN.N	42.1	43.6	43.1	1.8K
AN	64.2	70.0	0.0	0	ABAN.N	127.8	131.0	130.8	1.1K	HEXP.N	26.0	30.3	31.0	80
AN	10.3	10.4	10.3	103.1K	ACL.N	68.1	69.4	0.0	0	KCAB.N	75.2	80.0	80.0	0
AN	29.0	29.4	29.0	8.7K	ACMEN	11.6	11.7	11.7	5.2K	LALU.N	27.5	30.0	29.0	2.4K
AN	15.0	15.2	15.0	57.8K	AGST.N	6.4	6.9	6.8	3.3K	LCEM.N	8.4	8.5	8.5	25.7K
AN	30.0	33.4	33.5	26	ALUF.N	16.9	17.1	16.9	443	LITEN	4.7	4.9	4.9	3.8K
AN	25.2	26.0	0.0	0	APLA.N	90.3	94.8	0.0	0	LUUB.N	288.5	289.0	288.5	9.7K
AN	63.2	76.0	0.0	0	BLUEN	2.8	2.9	2.9	414.7K	LNLN	60.2	64.0	64.0	26

For persons



excela

2013 ANNUAL REPORT

EXCELA LIMITED ACN 108 069 003



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ISE

SYMBOL	BID	ASK	TRADE	QTY	%
HEALTH CARE					-0.1%
ASHAN	250.0	267.0	0.0	0	-

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

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SYMBOL	BID	ASK	TRADE	QTY	%
HEALTH CARE					-0.1%
ASHAN	150.0	267.0	0.0	0	

CHAIRMAN'S REPORT

March 2013 saw the resignation of the former Excelsa Board in conjunction with the disposal by the Group's previous major shareholder of his majority stake in the Company. This brought a new group of investors to the Company with a vision to re-capitalise and restructure the Group.

On the 12th July 2013, Excelsa Ltd completed a successful rights issue raising \$2.8 million, enabling the surrender of the Ann Street office lease, the retirement of most short-term loan facilities and outstanding creditor payments and leaving a cash surplus of \$1.0 million.

As has been announced on the 12th July 2013, Excelsa Ltd is progressing towards the acquisition of Avestra Capital Pty Ltd ("Avestra"). Assuming the acquisition is voted on in favour by shareholders, it is anticipated that this transaction will be completed prior to the end of this calendar year. Once completed the Group will be in a position to consolidate both businesses with a view to further cost savings through shared administration functions. The Avestra acquisition will expose the Group to business and investment opportunities in both the domestic and Asian regions, through Avestra's existing business relationships.

In the short-term the focus will be on (i) client retention; and (ii) building funds under management through the offering of a wider range of investment products and opportunities. The Board and management team would like to thank shareholders for their continuing support and look forward to the challenges ahead.

Sincerely



John Margerison
Chairman

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	0 - BUSK	13	14	14	100
WAPL.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

CHIEF EXECUTIVE OFFICER'S REPORT

The past 12 months have seen significant changes for the Excela Group. The introduction of new investors to the Group has brought financial stability and a sense of purpose as we move forward.

In April/May 2012 the Head of Stockbroking and four stockbrokers left Excela to take up positions with another broking company. This has impacted on the full year's financial outcome, with revenues down \$1.7 million on the prior year. This segment of the business has now stabilised and is making steady improvement through organic growth from its existing client base, as well as referrals and introductions from selective in-house training programs conducted by the Company.

Excela's managed funds, Accelerator, Generator, Emergent & Maximiser, are under-going an administrative re-structure, with Avestra Asset Management Ltd to replace Fundhost Ltd as Responsible Entity for the funds. Excela's funds have also been able to benefit from the appointment of Avestra Asset Management Ltd as investment manager in May/June 2013, with the funds delivering improved performance since this change.

The downturn in revenues that has eventuated over the last two years has necessitated an aggressive approach to re-structuring the Group's cost base, the most notable impacts as follows:

- negotiated surrender of the office lease at 333 Ann Street, Brisbane;
- reduction in management and staff numbers;
- significantly reduced emphasis and expenditure on external marketing;
- re-structuring of fund administration;

These together with further rationalisation of existing services subsequent to the proposed acquisition of Avestra Capital Pty Ltd will deliver an estimated annual saving in excess of \$1.5 million.

Excela Ltd's recently concluded rights issue raised \$2.8 million, enabling the Group to retire the majority of its short-term cash flow loans, finalise the lease at 333 Ann Street Brisbane, bring all creditors up to date and retain \$1.0 million in surplus cash.

Having rectified the Group's financial needs and undertaken a major re-structuring of its cost base and investment management function, the business is now well placed to move forward and explore new opportunities that the acquisition of Avestra Capital Pty Ltd will bring once this transaction is finalised.

Sincerely



Delan Pagliaccio
Chief Executive Officer

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	WA

EXCELA LIMITED
ACN 108 069 003

Directors' Report

Your directors present their report on the Group, being Excela Limited and its controlled entities (the Group) for the financial year ended 30 June 2013.

Directors

The names of directors in office at any time during or since the end of the year are:

- John Margerison (appointed 20 March 2013)
- Delan Pagliaccio (appointed 20 March 2013)
- Yosse Goldberg (appointed 20 March 2013)
- Clayton Dempsey (appointed 12 July 2013)
- Craig Burbury (appointed 20 March 2013, resigned 12 July 2013)
- Peter Spann (resigned 20 March 2013)
- Alan Bennett (resigned 6 August 2012)
- Rod Welford (resigned 20 March 2013)
- Ben Doyle (resigned 20 March 2013)

Company Secretaries

The company secretary as at the end of the year was:

Craig Burbury

Company Secretary

Craig has a commerce degree from The University of Tasmania and is also a Certified Practising Accountant. His career has included positions with Price Waterhouse in small business advisory and taxation services.

Craig has held senior accounting positions with listed financial services company Australian Wealth Management Ltd. He has been working with the Excela Group of companies for the past six and a half years and is the Group's Chief Financial Officer.

Principal activities

The principal activities of the Group during the financial year were those of funds management and stockbroking.

Review and Results of Operations

On 20 March 2013 the Company's major shareholder, Mr Peter Spann, sold his 46% stake in the Company. The Company's new group of investors have brought financial stability to the Company, facilitating a share placement in May 2013 raising \$84,000 and underwriting the recently completed rights issue, raising \$2.8 million.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	100
WAPOL.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

EXCELA LIMITED
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Directors' Report

This has enabled the Company to clear outstanding creditors and most of its short-term cash flow facilities in July 2013. A resolution was also reached regarding the surrender of the office lease at 333 Ann Street, Brisbane, the details of which remain confidential, enabling the Company to move forward without this significant on-going monthly commitment. The Company now has far more economic office accommodation more suited to its reduced staff numbers and in line with the new management's attitude to cost management.

The departure of Mr Spann as major shareholder and subsequently Chief Investment Officer has also resulted in the appointment of Avestra Asset Management Ltd as investment manager of the Excelsa Funds (Generator, Emergent, Maximiser and Accelerator). Over the last three months the funds have exhibited improved performance with Maximiser's average return for the three months being 5%, Accelerator 2%, Emergent 6% and Generator 8%. Mr Spann stepped down as Investment Manager of Maximiser and Accelerator following a negotiated settlement between the parties, the details of which remain confidential.

As was noted in the Company's 2012 Annual Report, stockbroking revenue has been impacted by the departure of many of the Company's former stockbroking team, with legal action initiated. At present the Company's Board is assessing the current position of this action and the merits of pursuing this and incurring further legal costs.

The net profit/(loss) for the group for the year ended 30 June 2013 after providing for income tax amounted to \$(3,242,904) (2012: \$(7,355,713)). Many significant steps have been taken to reduce the Company's operating cost base including:

- relocation to more suitable office accommodation, including shared office infrastructure;
- reduction in management and staff numbers;
- significantly reduced emphasis and expenditure on marketing;

These together with savings achieved through the rationalisation of existing services are estimated to deliver on-going savings in excess of \$1.5 million.

Revenue has fallen by \$1.9 million (43.8%) primarily impacted by a decrease in stockbroking revenue of \$1.7 million (43.7%). This segment is making steady improvement since the loss of clients in 2012 and is seeing a gradual recovery in its client base through client referrals and education and training services.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	111

EXCELA LIMITED
ACN 108 069 003

Directors' Report

Funds Management revenue has also fallen by \$255,651 (36.7%) as a result of redemptions which have seen funds under management decrease over the 12 months from \$31.1 million at 30 June 2012 to \$22.2 million at 30 June 2013, a decrease of 28.6%.

Dividends Paid or Recommended

No dividend has been paid or declared since the end of the financial year.

Financial Position

Net assets of the Group are \$1,651,577 as at 30 June 2013 compared to \$4,810,617 at 30 June 2012.

Significant Changes in State of Affairs

As noted above March 2013 saw a 46% stake in the Company change hands, bringing a new group of investors to the Company with a vision to re-capitalise and grow the Company.

Excelsa's four managed funds (Generator, Emergent, Maximiser & Accelerator) have also benefitted from a change in investment manager, with improved performance over the last 3-4 months. A significant re-structuring of the Company has also seen a major reduction in the Company's cost base, most significantly the exiting of the office lease at 333 Ann Street, Brisbane.

After Balance Date Events

July 2013 saw the completion of the Company's rights issue, raising \$2.8 million.

The acquisition of Avestra Capital Pty Ltd, as announced on the 4th June 2013, is progressing with a view to completion in the coming months, pending a shareholder vote on the transaction.

Future Developments, Prospects and Business Strategies

As was announced on the 12th July 2013, Excelsa Ltd is progressing towards the acquisition of Avestra Capital Pty Ltd. Assuming the acquisition is voted on in favour by shareholders, it is anticipated that this transaction will be completed prior to the end of this calendar year.

The 12th July 2013 also saw the completion of the Excelsa Ltd rights issue raising \$2.8 million.

Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

EXCELA LIMITED
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Directors' Report

Information on Directors

John Margerison - Non-Executive Chairman

John is a director of a number of companies and has a broad investment and finance background drawn from experience gained in finance, health, retail, aged care, foreign exchange and IT based businesses.

John holds a Bachelor of Commerce Degree (Bond University), a Diploma of Financial Planning (Securities Institute) and a Diploma of Mortgage Lending (Finsia).

John is not a director of any other listed public companies.

Delan Pagliaccio - Executive Director, Chief Executive Officer

Delan has over 15 years experience in the finance industry. He was a responsible manager and the head of derivatives trading operations at E*Trade for almost 10 years. In this role he managed one of the largest retail derivatives books in Australia, providing experience in order execution, real time risk management and margin calculations. He has held directorships and responsible manager positions with firms including Asandas Ltd and IC Markets Pty Ltd.

Delan is a member of the Securities and Derivatives Institute of Australia and the Institute of Company Directors.

Delan is not a director of any other listed public companies.

Joseph (Yosse) Goldberg - Non-Executive Director

Mr Goldberg commenced work as an architect and in the mid 1970's became a property developer. Over the years, Mr Goldberg has become a consultant and major shareholder in a number of companies, assisting these companies to create a foothold in countries such as PNG, Indonesia, Cameroon, South Africa and Turkey. Mr Goldberg has also consulted to Sydney Gas Ltd, Blue Energy Ltd, Kimberley Diamond Company NL, Sundance Resources Ltd, CuDeco Ltd and Gindalbie Metals Ltd about resources projects such as iron ore, oil and gas bed methane and copper. Recently Mr Goldberg has been engaged in establishing a major thermal and coking oil and gas project in Indonesia requiring major infrastructure and financing.

Mr Goldberg is a director of Coral Sea Petroleum Ltd.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	100

EXCELA LIMITED
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Directors' Report

Clayton Dempsey - Non-Executive Director

Clay is a Director, a member of the Compliance Committee and a Responsible Manager of Avestra Asset Management Ltd ("Avestra"). He manages risk and compliance for Avestra and is a member of the Investment Committee.

Clay has extensive experience in the financial services industry in Australia since 1981, encompassing foreign exchange, securities and derivatives. This includes managing customer service and business development, trading, structuring product origination and equity finance at major Australian institutions, including National Australian Bank, and at global institutions Chase Manhattan Bank, Natwest Markets and BNP Paribas.

Clay holds a Diploma of Financial Services.

Clay is not a director of any other listed public companies

Shareholdings held by Directors

Directors	Balance 30.6.12	Received as Remuneration	Issued as Consideration	Shares (Sold) Purchased	Balance 30.6.13
Peter Spann*	13,336,983	-	-	(13,245,820)	91,163
Rod Welford **	-	-	-	-	-
Ben Doyle **	-	-	-	-	-
John Margerison	-	-	-	-	-
Delan Pagliaccio	-	-	-	-	-
Yosse Goldberg ***	-	-	-	400,000	400,000
Craig Burbury	-	-	-	-	-
Total	13,336,983	-	-	(12,845,820)	491,163

* Peter Spann, who resigned during the last financial year, indirectly holds 8,441 ordinary shares through Fox Portfolio Pty Ltd and 82,722 through Freeman Fox Investments Pty Ltd.

** Rod Welford and Ben Doyle resigned during the last financial year.

*** Yosse Goldberg holds 400,000 ordinary shares through Kai Ventures Pty Ltd.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	1000
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

EXCELA LIMITED
ACN 108 069 003

Directors' Report

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each key management person of Excelsa Limited.

AASB 124 Related Party Disclosures defines key management personnel as "persons having authority and responsibility for the planning, directing and controlling activities of the entity, directly or indirectly". The only persons that have this authority are the Directors of Excelsa Limited, as well as the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

Remuneration Policy

The board policy is to remunerate directors at market rates for time, commitment, experience and responsibilities. The remuneration committee determines payments to the directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees/salaries that can be paid to directors is subject to approval by shareholders at the Annual General Meeting. It is presently set at \$60,000 per annum for the Chairman and \$250,000 in aggregate for all other directors.

Directors Remuneration

Mr Welford, Mr Doyle, Mr Margerison, Mr Pagliaccio, Mr Goldberg & Mr Burbury receive monthly directors' fees as disclosed below pursuant to letters of appointment issued by the company. Formal contracts are not issued. The remuneration is a fixed fee and is not based on the performance of the company.

All remuneration paid to directors is valued at the cost to the company and expensed.

Chief Executive Officer's Remuneration

Mr Delan Pagliaccio provides CEO services and is remunerated at an hourly rate. The negotiation of an employment contract will be finalised once the acquisition of Avestra Capital Pty Ltd is completed and the CEO role is more defined in future.

Mr Spann's employment contract was terminated on the 20th March 2013 and there are no entitlements outstanding in relation to his contract.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	111

EXCELA LIMITED
ACN 108 069 003

Directors' Report

Key Management Personnel Remuneration

	Director's / Executives Fees/ Salaries	Non-Cash Benefits	Superannuation	Total
2013				
Total Compensation	471,573	-	31,662	503,235
2012				
Total Compensation	794,521	-	46,610	841,131

2013 Total Compensation	Directors' / Executives Fees/ Salaries (\$)	Bonus (\$)	Share-based payments (\$)	Super-annuation (\$)	Total (\$)
Peter Spann	178,949	-	-	13,295	192,244
Rod Welford	33,000	-	-	-	33,000
Ben Doyle	22,000	-	-	-	22,000
Alan Bennett *	5,500	-	-	-	5,500
John Margerison	3,000	-	-	-	3,000
Delan Pagliaccio**	10,500	-	-	-	10,500
Yosse Goldberg	3,000	-	-	-	3,000
Directors' Fees/ Salaries	255,949	-	-	13,295	269,244
Michael Abbott ***	82,429	-	-	6,684	89,113
Craig Burbury ****	133,195	-	-	11,683	144,878
Other Key Management Personnel	215,624	-	-	18,367	233,991
Total	471,573	-	-	31,662	503,235

- * Mr Alan Bennett was also remunerated as a director of Excelsa Equities Ltd.
- ** Mr Delan Pagliaccio's remuneration included directors fees of \$3,000.
- *** Mr Michael Abbott resigned as Chief Executive Officer in November 2012.
- **** Mr Craig Burbury's remuneration included directors fees of \$3,387.

EXCELA LIMITED
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Directors' Report

2012 Total Compensation	Directors' / Executives Fees/ Salaries (\$)	Bonus (\$)	Share-based payments (\$)	Super-annuation (\$)	Total (\$)
Peter Spann *	291,444	8,975	-	15,775	316,194
Michael Willis **	50,804	-	-	1,973	52,777
Howard Woolcott ***	20,323	-	-	-	20,323
Alan Bennett ****	66,000	-	-	-	66,000
Rod Welford	25,667	-	-	-	25,667
Directors' Fees/ Salaries	454,238	8,975	-	17,748	480,961
Michael Abbott	181,308	-	-	15,362	196,670
Craig Burbury	150,000	-	-	13,500	163,500
Other Key Management Personnel	331,308	-	-	28,862	360,170
Total	785,546	8,975	-	46,610	841,131

- * Mr Peter Spann's salary includes a prior period back-pay adjustment of \$7,219. He was also approved 187,500 rights at the Company's 2011 Annual General Meeting on the 24th November 2011. However, these were never issued.
- ** Mr Michael Willis was also remunerated as a director of Excela Equities Ltd. He was also approved 35,000 rights at the Company's 2011 Annual General Meeting on the 24th November 2011. However, these were never issued as Mr Willis resigned on 1 December 2011.
- *** Mr Howard Woolcott was issued 35,000 rights following approval at the Company's 2011 Annual General Meeting. These lapsed upon Mr Woolcott's resignation on the 24th January 2012. Accordingly an unrecorded share based payments expense of \$158 was not recorded as this was subsequently reversed upon the rights lapsing.
- **** Mr Alan Bennett was also remunerated as a director of Excela Equities Ltd. Mr Bennett was also issued 35,000 rights following approval at the Company's 2011 Annual General Meeting. These lapsed upon Mr Bennett's resignation on the 6th August 2012. Accordingly an unrecorded share based payments expense of \$665 was not recorded as this was subsequently reversed upon the rights lapsing.
- Pay cuts of 20% (\$155,000) were implemented across all management positions as outlined in ASX announcement dated 9 August 2012.

SYMBOL	BID	ASK	TRADE	QTY	%
HEALTH CARE					-0.1%
ASHAN	150.0	267.0	0.0	0	

EXCELA LIMITED
ACN 108 069 003

Directors' Report

Rights granted as remuneration

Rights may be issued to executives and management as part of their remuneration. The rights are based on performance criteria as stipulated in the Long Term Incentive Plan that was approved at the Company's 2011 Annual General Meeting. Rights may be issued to non-executive directors as part of their remuneration as stipulated in the Long Term Incentive Plan. The rights are not issued based on performance criteria but are issued as a retention mechanism for non-executive directors. There are no rights outstanding to management of non-executive directors.

Rights held by Directors

Directors	Balance 30.6.12	Received as Remuneration	Lapsed	Balance 30.6.13
Alan Bennett *	35,000	-	(35,000)	-
Total	35,000	-	(35,000)	-

* Rights issued to non-executive directors, as approved at the Company's 2011 Annual General Meeting, only vest upon three year's service by the non-executive directors.

Voting and Comments made at the Company's 2012 Annual General Meeting

Excelsa Ltd received more than 78% of "yes" votes on its remuneration report for the 2012 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following in respect of the current financial year and the previous four financial years:

	2013	2012	2011	2010	2009
EPS (cents)	(0.11)	(0.26)	(0.08)	(0.16)	(0.39)
Dividends (cents/share)	-	-	-	0.02	-
Net profit/(loss) (\$'000)	(3,243)	(7,356)	(2,336)	(3,090)	(7,180)
Share price (\$)	0.04	0.062	0.20	0.315	0.61

EXCELA LIMITED
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Directors' Report

Performance Based Remuneration

There is currently no remuneration for key management personnel that is linked to performance, with all key management personnel receiving 100% fixed salaries.

Hedging Of Securities

In accordance with the Group's general share trading policy and employee share plan rules, participants are prohibited from engaging in hedging arrangements over unvested securities issued pursuant to any employee or director share plan.

End of Remuneration Report (Audited)

Meetings of Directors

	Directors' Meetings		Audit & Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Peter John Spann	13	13	-	-
Alan Bennett	2	2	-	-
Rod Welford	13	13	2	2
Ben Doyle	11	11	2	2
John Margerison	4	4		
Delan Pagliaccio	4	4		
Yosse Goldberg	4	4		
Craig Burbury	4	4		

Indemnifying Officers or Auditor

During the year the group provided an indemnity to directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the group, other than conduct involving a wilful breach of duty in relation to the group. The content of the insurance prohibits disclosure of the nature of the liability and the amount of the premium. No indemnity is provided to the auditors.

SYMBOL	BID	ASK	TRADE	QTY	%
HEALTH CARE					-0.1%
ASHAN	150.0	267.0	0.0	0	

EXCELA LIMITED
ACN 108 069 003

Directors' Report

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the group or intervene in any proceedings to which the group is a party for the purpose of taking responsibility on behalf of the group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Non-audit Services

The board of directors, in accordance with advice from the audit and risk committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors 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 and risk 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.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2013:

Taxation services	\$ 8,250
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Auditors' Independence Declaration

A copy of the independence declaration provided by the group's auditors in accordance with s307c of the Corporations Act 2001 in relation to the audit of the 30 June 2013 financial report is presented on page 10 and forms part of this Director's Report.

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



Director
 Clay Dempsey
 Dated this 30th day of September 2013

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	1000
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

EXCELA LIMITED
ACN 108 069 003
For the year ended 30 June 2013

Corporate Governance Statement

The Company's corporate governance framework has been formulated in light of the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council in 2010 (Corporate Governance Principles and Recommendations with 2010 Amendments). The Company's framework largely complies with these recommendations. Consistent with the Company's approach to sound corporate governance, opportunities for improvement are regularly considered.

Day-to-day management of the affairs of the Company and its controlled entities are delegated by the Board to the Chief Executive Officer and the staff of Excela Limited. The Directors are responsible to shareholders for the performance of the Company and their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The main processes that the directors of the Company use in achieving this are set out in the following statement.

Principle 1: Lay solid foundations for management and oversight

The Directors must act in the best interests of the Company and in general are responsible for, and have the authority to determine, all matters relating to the policies, management and operation of the Company.

Specific responsibilities of the Board include:

- Protecting the reputation of the Company
- Appointment and removal of the Chief Executive Officer and any senior executives
- Ensuring appropriate resources are available to senior management
- Providing strategic direction for the Company's corporate strategy

The Company's executive management comprises Delan Pagliaccio, the Chief Executive Officer, and Craig Burbury who is the Chief Financial Officer and Company Secretary.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	100

EXCELA LIMITED
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For the year ended 30 June 2013

Corporate Governance Statement

The remuneration structure for directors, secretaries and any senior managers is based on the following factors:

- experience of the individual concerned
- the overall performance of the market in which the Company operates
- the overall performance of the Company

Performance of senior executives is constantly reviewed by the Board as part of the ordinary course of meetings of the Directors.

There have been no departures from Principle 1 during the year ending 30 June 2013.

Principle 2: Structure the board to add value

- The skills, experience and expertise relevant to the position of director and period of office held by each director is disclosed within the Directors' Report of the Company's Annual Report.
- Presently the board consists of four directors, one being an executive director and the other three being independent non-executive directors.
- With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the consolidated entity's expense concerning any aspect of the Company's operations or undertaking in order to fulfill their duties and responsibilities as directors.
- The performance of the board is reviewed as part of the ordinary course of meetings of the directors.

There have been the following departures from Principle 2 during the year ending 30 June 2013:

Recommendation 2.4 - The Company does not presently have a nomination committee. Due to the size and nature of the activities of the Company, the nomination of new directors is conducted by the board by way of ongoing review and discussion in relation to experience deficiencies that may exist within the existing board structure.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

EXCELA LIMITED
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For the year ended 30 June 2013

Corporate Governance Statement

Principle 3: Promote ethical and responsible decision making

As part of the Board's commitment to the highest standard of conduct, the Company adopts a code of conduct to guide management in carrying out their duties and responsibilities as listed below.

All directors and consultants of the Company have the following duties:

- To act honestly, fairly and without prejudice in all commercial dealings and to conduct business with professional courtesy and integrity
- To use the powers of their office for a proper purpose and in the best interests of the Company
- To comply with the letter and spirit of the law and with the principles of this Code
- Not to knowingly make any misleading statements to any person or to be a party to any improper practice in relation to dealings with or by the Company
- To ensure that the Company's resources and property are used properly
- Not to disclose information or documents relating to the Company or its business, other than as required by law, not to make any unauthorised public comment on the Company's affairs and not to misuse any information about the Company or its associates.

The board endeavours to ensure that the directors and officers of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

Specifically, that directors and officers must:

- Comply with the law
- Act in the best interests of the Company
- Be responsible and accountable for their actions, and
- Observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

The Company's policy regarding directors and officers trading in its securities is set by the board of directors. The policy restricts directors and officers from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

The Company has set the following windows for trading in the Company's securities by the directors and officers, being between one and twenty one days following:

- The release to the Australian Securities Exchange of the Company's preliminary full year financial statements
- The release to the Australian Securities Exchange of the Company's half year financial statements



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ACN 108 069 003
For the year ended 30 June 2013

Corporate Governance Statement

Diversity

The Company is committed to the principle of equal opportunity for all employees at all levels of employment within the Company. The Company is committed to providing a working environment free from discrimination, harassment, sexual harassment and bullying in accordance with Commonwealth and State legislation.

Whilst the Company has not developed a formal diversity policy in line with the ASX Corporate Governance Council Recommendation 3.2, the Directors have considered the gender diversity recommendation when assessing the composition of the Board.

Similarly the Company has not set measurable objectives for achieving gender diversity. It is the aim of Directors to ensure the Board is comprised of individuals that are best equipped to contribute to the success of the business and who can represent the interest of all Shareholders, irrespective of gender.

The proportion of female employees in the Company as at 30 June 2013 is as follows:

	No.of Persons	No.of Women	Proportion
Company	9	1	11%
Executive	2	0	0%
Board	4	0	0%

Aside from Diversity issues outlined above, there have been no departures from Principle 3 during the year ending 30 June 2013.

Principle 4: Safeguard integrity in financial reporting

The Board has established an Audit and Risk Committee "ARC", which provides assistance to the Board in fulfilling its corporate governance responsibilities in relation to the Company's financial reporting, internal controls structure, risk management systems and external audit functions.

The Board has adopted a formal Charter for the Committee to assist in carrying out its duties. The members of the ARC are Mr. Clay Dempsey (Non-executive Director) and Mr. Delan Pagliaccio (Executive Director). Details of qualifications of members are outlined in the Directors' Report.

The ARC met twice during the year.

There has been one departure from Principle 4 during the year ending 30 June 2013: Recommendation 4.2 - The ARC consists of only one independent director, not three nor a majority of independent directors, due to the small size of the Company.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

EXCELA LIMITED
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For the year ended 30 June 2013

Corporate Governance Statement

Principle 5: Make timely and balanced disclosure

There have been the following departures from Principle 5 during the year ending 30 June 2013: Recommendations 5.1 - Due to the size and nature of the Company, the Board does not have written policies on disclosure. However the Company has the following principles in place:

- The Company will not endorse reports on its operations prepared by third parties.
- The Company will not respond to speculation and rumour except as required by the ASX.
- The CEO and Company Secretary have been appointed as the persons responsible for communications with the ASX.
- The Board is responsible for ensuring the compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and co-ordinating information disclosure to the ASX.
- All material will be lodged as soon as practicable with the ASX.
- No undisclosed price sensitive information will be disclosed in any analyst meeting.

Principle 6: Respect the rights of shareholders

The Board and the Company Secretary are responsible for the communications strategy to promote effective communications with shareholders and encourage effective participation at general meeting. The Company adheres to best practice in its preparation of Notices of Meetings to ensure all shareholders are fully informed. Due to the size of the Company, all communications are prepared and administered in-house.

The Company actively encourages communications with their shareholders and has made available all forms of contact; phone, email, facsimile and post details on its website at www.excela.com.au should any shareholder have a query.

The Company's Half and Full Year Reports are a significant means of communicating to shareholders the Company's activities, operations and performance over the past financial year. In accordance with the Company's disclosure principles, these are publicly available on the ASX website.

There have been no departures from Principle 6 during the year ending 30 June 2013.

Principle 7: Recognise and manage risk

The Board is responsible for oversight of the Company's management system of internal controls. The Board constantly monitors the operation and financial aspects of Company activities and considers the recommendations and advice of external auditors and other external advisers on the operations and financial risks that face the Company.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	100

EXCELA LIMITED
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Corporate Governance Statement

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

The Company obtains statements from its Chief Executive Officer and Chief Financial Officer that:

- the Company's financial reports present a true and fair view in all material aspects, of the Company's financial condition and operational results are in accordance with the relevant accounting standards. Furthermore, the board of directors does, in its role, state to shareholders in the Company's accounts that they are true and fair.
- the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements policies adopted by the board
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

There have been no departures from Principle 7 during the year ending 30 June 2013. The Board believes the Company's risk management and internal compliance and control procedures are operating efficiently and effectively in all material aspects appropriate for a Company of Excelsa Limited's size and nature. The Board will continue to monitor this aspect of the Company closely, and will cause to be developed a comprehensive Risk Management Process and Policy document, additional to the material outlined above.

Principle 8: Remunerate fairly and responsibly

The Company does not have any scheme for retirement benefits, other than statutory superannuation, for any directors.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Directors' Report under the heading "Remuneration Report".

There have been the following departures from Principle 8 during the year ending 30 June 2013:

Recommendations 8.1- Due to the size and nature of the Company, the duties of the remuneration committee are undertaken by the Board.

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	240.0	0.0	0	BUSEX	2.0	2.4	2.4	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.0	25.0	25.0	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0



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**Auditor's Independence Declaration
To the Directors of Excelsa Ltd**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Excelsa Ltd for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 30 September 2013

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SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0 -	111

EXCELA LIMITED
ACN 108 069 003
For the year ended 30 June 2013

Statement Of Profit Or Loss & Comprehensive Income

	Note	2013 \$	2012 \$
Revenue	2	2,540,033	4,522,476
Commission expense & product expense		607,590	1,337,820
Management & administration expenses		444,000	444,000
Marketing costs		13,810	833,998
Amortisation expense		236,221	639,720
Employment expenses		1,141,646	1,978,059
Occupancy expenses		1,273,709	778,635
Consultants fees		139,533	177,022
Office services expenses		146,324	362,076
Impairment of goodwill		-	1,572,483
Impairment of identifiable intangible assets		-	2,220,840
Interest expense		42,406	-
Communication expenses		193,206	134,676
Other expenses from ordinary activities		521,099	531,977
Directors fees, salaries		72,887	480,961
Legal Fees		641,290	68,621
Insurance expense		309,216	295,787
Profit/(loss) before income tax		(3,242,904)	(7,334,199)
Income tax expense/(benefit)	3	-	21,514
Profit/(loss) after tax		(3,242,904)	(7,355,713)
Other comprehensive income		-	-
Total comprehensive income for the year		(3,242,904)	(7,355,713)
Overall operations:			
Basic and diluted earnings per share	6	(0.11)	(0.26)

The above statement should be read in conjunction with the accompanying notes.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	90
WAP.N	38.2	38.4	38.3	1.0K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

EXCELA LIMITED
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For the year ended 30 June 2013

Statement Of Financial Position

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	4,693	893,655
Trade and other receivables	8	153,092	270,071
Other financial assets	9	-	185,910
Other current assets	11	-	161,018
TOTAL CURRENT ASSETS		157,785	1,510,654
NON-CURRENT ASSETS			
Intangibles	12	3,641,253	3,877,474
Property, plant and equipment	18	135,751	-
TOTAL NON-CURRENT ASSETS		3,777,004	3,877,474
TOTAL ASSETS		3,934,789	5,388,128
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	756,710	463,908
Short-term provisions	14	42,109	113,603
Borrowings	15	1,394,243	-
TOTAL CURRENT LIABILITIES		2,193,062	577,511
NON-CURRENT LIABILITIES			
Borrowings	15	90,150	-
TOTAL NON-CURRENT LIABILITIES		90,150	-
TOTAL LIABILITIES		2,283,212	577,511
NET ASSETS		1,651,577	4,810,617
EQUITY			
Issued Capital	16	25,718,315	25,634,451
Retained earnings		(24,066,738)	(20,823,834)
TOTAL EQUITY		1,651,577	4,810,617

The above statement should be read in conjunction with the accompanying notes.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	111

EXCELA LIMITED
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For the year ended 30 June 2013

Statement Of Cash Flows

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commission income		2,783,431	5,146,207
Event Income		23,698	162,108
Investment income		35,793	(258,446)
Payments to suppliers & directors		(4,658,734)	(7,214,428)
Payments related to management and investment trading		(444,000)	(488,400)
Interest expense		(42,406)	
Tax (paid) / refunded		-	(21,514)
Net cash provided by / (used in) operating activities	22	(2,302,218)	(2,674,473)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		84,000	-
Proceeds from redemption of investments		-	2,688,145
Proceeds from borrowings		1,345,000	-
Repayment of borrowings		(15,608)	-
Shares bought back		(136)	(56,669)
Net cash provided by financing activities		1,413,256	2,631,476
Net increase / (decrease) in cash held		(888,962)	(42,997)
Cash and cash equivalents at the beginning of the financial year		893,655	936,652
Cash and cash equivalents at end of financial year	7	4,693	893,655

The above statement should be read in conjunction with the accompanying notes.

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EXCELA LIMITED
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For the year ended 30 June 2013

Statement Of Changes In Equity

	Note	Share Capital Ordinary \$	Retained Earnings \$	Total \$
Balance 1.7.11		25,691,120	(13,468,121)	12,222,999
Shares bought back during the year		(56,669)	-	(56,669)
Loss attributable to members		-	(7,355,713)	(7,355,713)
Sub-total		25,634,451	(20,823,834)	4,810,617
Dividends paid or provided for	5	-	-	-
Balance at 30.6.12		25,634,451	(20,823,834)	4,810,617
Balance 1.7.12		25,634,451	(20,823,834)	4,810,617
Shares issued during the year		84,000	-	84,000
Shares bought back during the year		(136)	-	(136)
Loss attributable to members		-	(3,242,904)	(3,242,904)
Sub-total		25,718,315	(24,066,738)	1,651,577
Dividends paid or provided for	5	-	-	-
Balance at 30.6.13		25,718,315	(24,066,738)	1,651,577

The above statement should be read in conjunction with the accompanying notes.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	100

EXCELA LIMITED
ACN 108 069 003
For the year ended 30 June 2013

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover Excelsa Limited and its controlled entities as a consolidated entity ("Group", "Company"). Excelsa Limited is a for-profit ASX listed public company incorporated and domiciled in Australia.

The financial report of Excelsa Limited complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial statements have been authorised for issue by the Directors on 30 September 2013.

Basis of preparation

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

The Directors have prepared the financial statements on the going concern basis which assumes the Group will continue to pay its debts as and when they fall due.

As at the 30th June 2013, the Group's Balance Sheet noted current assets of \$157,785 and current liabilities of \$2,193,062. On the 12th July 2013 Excelsa Ltd concluded its rights issue, raising \$2.8 million. These funds were utilised in retiring short-term cash flow loans and paying down creditors, leaving surplus cash of \$1.0 million. This, together with significantly reduced operating overheads as noted in the Review Of Operations in the Directors Report, now has the Group on a stable financial footing.

Accounting policies

a. Revenue Recognition

The activity of the Group is that of a stockbroking, investment and funds management company, returns being in the form of commissions, dividends, trust distributions, interest income, trading income and options income.

Dividend income is recognised at the ex-dividend date.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	200
WAP.N	38.2	38.4	38.3	1.0K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASH	27.0	29.0	0.0	0

Note 1 Statement of Significant Accounting Policies (cont)

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

Realised gains and losses arising from the disposal of equity investments are recognised in the Statement of Comprehensive Income as investment gains or losses.

Premiums on options are recognised as income when an option is written.

Management Fees and commissions earned from the funds are calculated based on agreed percentage of the respective funds under management or administration, and are recognised on an accrual basis.

Stockbroking commissions are earned based on trading activity and schedules of rates as agreed to with the securities clearing house. Revenues are recognised as income at the point at which the underlying trades are settled.

b. Financial assets at fair value through profit or loss

Under AASB 139 marketable securities are designated in the Statement of Financial Position as "financial assets at fair value through profit and loss". These investments are initially recognised at fair value, typically represented by cost including transaction costs. Investments are measured at fair value and include transaction costs. Investments are valued based on quoted bid market prices at balance date. Gains and losses from changes in the fair value of the financial assets are included in the Income statement in the period in which they arise.

In accordance with IFRS, derivative instruments are categorised as "financial assets at fair value through profit or loss" and are accounted for at fair value, with changes to such values to be recognised through the Income statement in which they arise. Open options positions are valued based on quoted bid market prices at balance date. Gains and losses from changes in the fair value of the financial assets are included in the Income statement in the period in which they arise.

Available-for-sale financial assets

c. Shares in unlisted corporation

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

d. Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call with banks or financial institutions, net of bank overdrafts; and investments in money market instruments with less than 30 days to maturity.

e. Payables

Payables represent the principal amounts outstanding at balance date, plus where applicable, any accrued interest.

f. Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

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SYMBOL	BID	ASK	TRADE	QTY	%
HEALTH CARE					-0.1%
ASHAN	150.0	267.0	0.0	0	

Note 1 Statement of Significant Accounting Policies (cont)

The income tax calculations have been prepared on the basis of the tax consolidated group that was formed on the 1st July 2010 with an appropriate tax-sharing agreement in place.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

g. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, GST is recognised as part of the costs of acquisition of the asset or as part of an expense item. Receivables and payables in the statement of financial position are shown inclusive of GST.

Receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provision for doubtful accounts.

Investments in associates

Investments in associates are recognised in the financial statements by applying the equity method of accounting.

h. Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument or intangible asset 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.

i. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report 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.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	200
WAPC.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BGGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	11K	CASHN	27.0	29.0	0.0	0

Note 1 Statement of Significant Accounting Policies (cont)

Key judgments

Assessment of the effective life of intangible assets

The directors have assessed that the goodwill (Note 12) recognised in relation to the acquisition of the Excelsa Equities Limited (stockbroking) business continues to be indefinite, on the basis of continued profitability in the business with no intentions to wind down or cease trading.

The directors have assessed that the useful life previously ascribed to the management rights intangible (Note 12) which was recognised in relation to the Excelsa Funds Management acquisition, being 7 years, continues to be appropriate. This includes a re-evaluation of the financial viability of the respective funds with a view to delivering a more cost effective structure.

The directors have assessed that the useful life previously ascribed to the customer relationship intangible (Note 12) which was recognised in relation to the Excelsa Equities Limited (stockbroking) acquisition, being 10 years, continues to be appropriate. This useful life has been attributed based on historical customer retentions of 80% per annum.

j. Business combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

A controlled entity is any entity that Excelsa Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 26 to the financial statements. All controlled entities have a June financial year end. As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-company balances and transactions between entities in the group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss after the fair value of the acquired assets and liabilities have been reassessed.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	5
ASHAN	150.0	267.0	0.0	0	WA

Note 1 Statement of Significant Accounting Policies (cont)

Intangibles

k. Goodwill

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Management Agreements

Management agreements are recognised at cost of acquisition. Management agreements have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Management agreements are amortised over their useful life determined by the Directors as 7 years.

Customer Relationships

Customer relationship intangible assets are recognised upon acquisition as part of business combinations, and are valued at fair value at acquisition date based on the expected economic benefits to be realised over the effective life. Customer relationships have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Customer relationships are amortised over their useful life determined by the Directors as 10 years.

Australian Financial Services Licence

The Australian Financial Services Licence was recognised upon acquisition as part of a business combination, and is valued at fair value at acquisition date based on the costs incurred to obtain the licence which approximate the costs for a third party entity to replicate the asset. The licence is deemed to have an indefinite life and is tested annually for impairment and carried at cost less accumulated impairment losses.

i. Adoption of New and Revised Accounting Standards

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

AASB 2011-9 requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (i.e. reclassification adjustments).

AASB 2011-9 does not:

- remove the option to present profit or loss and other comprehensive income in two statements: or
- change the option to present items of OCI either before tax or net of tax.

However, if the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified to profit or loss and those that will not be reclassified) must be shown separately.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	200
WAP.N	38.2	38.4	38.3	1.0K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	11K	CASEN	27.0	29.0	0.0	0

Note 1 Statement of Significant Accounting Policies (cont)

Furthermore, AASB 2011-9 changes the title of "statement of comprehensive income" to "statement of profit or loss and other comprehensive income". When a two-statement approach is followed, the title of the first statement is amended to read "statement of profit or loss". However, these amendments do not prohibit entities using titles other than those used in AASB 101 Presentation of Financial Statements.

The amendment has had no impact on the Group.

m. New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

AASB 9: Financial Instruments, Amendments to Australian Accounting Standards arising from AASB 9 (applies to periods beginning on or after 1 January 2015)

AASB 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.
- allows 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 (instead of in profit or loss). 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.
- financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

When adopted, this standard is expected to have no impact on the Group's financial statements.

AASB 10 Consolidated Financial Statements (must also apply AASB 11 and AASB 12) (applies to periods beginning on or after 1 January 2013)

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and SIC -12 Consolidation - Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as an agent may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the Group. When adopted, this standard is expected to have no impact on the Group's financial statements.

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SYMBOL	BID	ASK	TRADE	QTY	%
HEALTH CARE					-0.1%
ASHAN	250.0	267.0	0.0	0	

Note 1 Statement of Significant Accounting Policies (cont)

AASB 11 Joint Arrangements (applies to periods beginning on or after 1 January 2013)

AASB 11 replaces AASB 131 Interests in Joint Ventures and AASB Interpretation 113 Jointly-controlled Entities - Non-monetary Contributions by Ventures. When adopted, this standard is expected to have no impact on the Group's financial statements as it has not entered into any joint arrangements.

AASB 12 Disclosure of Interests in Other Entities (applies to period beginning on or after 1 January 2013)

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures introduced by AASB 12 include disclosures about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. When adopted, this standard is expected to have no impact on the Group's financial statements.

AASB 2013 Fair Value Measurement (applies to period beginning on or after 1 January 2013)

AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to determine fair value under AASB when fair value is permitted by AASB. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. When adopted, this standard is expected to have no impact on the Group's financial statements.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (applies to period beginning on or after 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Excela Ltd is listed on the ASX and is not eligible to apply the Reduced Disclosure Requirements. When adopted, these two standards are expected to have no impact on the Group's financial statements.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key management personnel Disclosure Requirements (applies to period beginning on or after 1 July 2015)

This Standard makes amendments to remove the individual key management personnel disclosure requirements, as these are considered to be more in the nature of corporate governance and are generally covered in the Corporations Act and disclosed within the Directors and/or remuneration Report. When adopted, this standard is unlikely to have any significant impact on the entity given that they are largely editorial in nature.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	24
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	11K	CASHN	27.0	29.0	0.0	0

Note 1 Statement of Significant Accounting Policies (cont)

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures-Offsetting Financial Assets and Financial Liabilities (applies to period beginning on or after 1 January 2013)

This standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this standard. When adopted, there will be no impact on the entity as the entity does not have any netting arrangements in place.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities (applies to period beginning on or after 1 January 2014)

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. When adopted, there will be no impact on the entity as this standard merely clarifies existing requirements in AASB 132.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle (applies to period beginning on or after 1 January 2013)

These amendments are a consequence of the annual improvements process, which provides a vehicle for making non-urgent but necessary amendments to standards. When adopted, they are unlikely to have any significant impact on the entity given that they are largely of the nature of clarifications or removals of unintended inconsistencies between Australian Accounting Standards.

AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (applies to period beginning on or after 1 January 2013)

AASB 2012-6 amends the mandatory effective date of AASB 9 so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. It also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition from AASB 139 to AASB 9 in some circumstances. The entity will be able to provide transition disclosures, instead of restating comparatives, upon initial application of AASB 9.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039 (applies to period beginning on or after 1 January 2013)

AASB 2012-9 amends AASB 1048 Interpretation of Standards as a consequence of the withdrawal of Australian Interpretation 1039 Substantive Enactment of major Tax Bills in Australia. When adopted, there will be no impact on the entity as this standard will not affect current practice.

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SYMBOL	BID	ASK	TRADE	QTY	%
HEALTH CARE					-0.1%
ASHAN	150.0	267.0	0.0	0	

Note 1 Statement of Significant Accounting Policies (cont)

AASB 2012-10: Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments (applies to period beginning on or after 1 January 2013)

AASB 2012-10 clarifies the transition guidance in AASB 10 Consolidated Financial Statements.

It also provides additional transition relief in AASB 10, AASB 11 Joint Arrangements and AASB 12 Disclosure of Interests in Other Entities by limiting the requirement to provide adjusted comparative information only to the immediately preceding comparative period. In addition, for disclosures related to unconsolidated structured entities, AASB 2012-10 removes the requirement to present comparative information for any periods beginning before the first annual reporting period for which AASB 12 is applied. When adopted, they are unlikely to have any significant impact on the entity given that they are largely clarification of existing transitional provisions.

Property, plant and equipment

IT Equipment

IT equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. IT equipment is subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of IT equipment, estimated useful life of 3 years applied. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Finance Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Company is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability, with this reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to profit or loss, as finance costs over the period of the lease.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	2.0	2.4	2.4	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

2. Revenue

	Note	2013 \$	2012 \$
Realised investment gain / (loss)		(185,910)	(473,280)
Cost recoveries		937	-
Event revenue		23,698	147,371
Interest received		22,356	54,124
Training subsidies		12,500	-
Distributions received		-	115,891
Commissions received		2,666,452	4,678,370
Total revenue		<u>2,540,033</u>	<u>4,522,476</u>

3. Income Tax Expense

	Note	2013 \$	2012 \$
a. The components of tax expense comprise:			
Current tax		-	21,514
Deferred tax		-	-
		<u>-</u>	<u>21,514</u>

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit/(loss) before income tax at 30% (2012: 30%)		(972,871)	(2,200,261)
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Add tax effect of:

- tax relating to pre-acquisition period (Excelsa Equities Ltd)		-	21,514
- non-deductible impairment and amortisation		70,866	1,329,914
- non-deductible professional fees		234,247	73,693
- other non-deductible expenses		62,621	-
		<u>(605,137)</u>	<u>(775,140)</u>

Less tax effect of:

- other non-deductible expenses		-	(28,115)
- other deductible expenses		(138,779)	-
- amounts deductible over 5 years		(109,475)	(109,475)
- unrealised loss		(55,773)	-
- deferred tax asset not recognised on tax loss		909,164	934,244
		<u>909,164</u>	<u>934,244</u>

Income tax expense attributable to profit/(loss) before income tax		<u>-</u>	<u>21,514</u>
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Applicable weighted average effective tax rates are as follows: -% -%

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SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	111

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Notes To The Financial Statements (cont)

4. Auditors Remuneration

Remuneration of the auditor for:

	Note	2013 \$	2012 \$
- audit of the financial report (including Australian Financial Services Licence)		49,000	44,000
- review of the half year report		16,200	19,800
- other services:			
taxation services		7,500	18,692
		<u>72,700</u>	<u>82,492</u>

5. Dividends

a. Distributions paid

Interim fully franked dividend of nil (2012: 0.0) cents per share franked at the tax rate of 30% (2012: 30%)		-	-
		-	-
Total dividends per share for the period		-	-

b. Dividend Franking Account

Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.		969,172	969,172
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6. Earnings Per Share

Earnings used in the calculation of earnings per share and dilutive earnings per share is the net profit/(loss) after tax		(3,242,904)	(7,355,713)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS		29,012,050	8,061,557

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

7. Cash and Cash Equivalents

	Note	2013 \$	2012 \$
Cash at bank		4,693	893,655
		4,693	893,655

8. Trade and Other Receivables

Other debtors		12,657	25,601
Accrued income		140,435	244,470
		153,092	270,071

9. Other Financial Assets

Financial assets at fair value through profit or loss			
Shares in listed corporations, at market value		-	185,910
Managed funds, at market value		-	-
		-	185,910

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SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	5
ASHAN	250.0	267.0	0.0	0	WA

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For the year ended 30 June 2013

Notes To The Financial Statements (cont)

10. Tax

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 (f) occur:

Deductible temporary differences: \$nil

(2012: \$109,496)

Tax losses: operating losses \$nil

(2012: \$4,068,165)

Due to uncertainty with regards to the Group's ability to utilise carried forward tax losses in future periods, pursuant to Australian Income Tax legislation, nil carried forward temporary differences and tax losses have been disclosed.

11. Other Current Assets

Prepayments

- 161,018

- 161,018

12. Intangibles

Goodwill

Cost

3,761,586 3,761,586

Accumulated impairment losses

(1,572,483) (1,572,483)

Net carrying value

2,189,103 2,189,103

Management Rights

Cost

2,877,000 2,877,000

Accumulated amortisation

(1,217,813) (1,118,308)

Accumulated impairment losses

(1,310,919) (1,310,920)

Net carrying value

348,268 447,772

Customer Relationships

Cost

2,489,000 2,489,000

Accumulated amortisation

(605,198) (468,481)

Accumulated impairment losses

(909,920) (909,920)

Net carrying value

973,882 1,110,599

Australian Financial Services Licence

130,000 130,000

Total Intangibles

3,641,253 3,877,474

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	11K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

12. Intangibles (cont)

	Goodwill \$	Management Rights \$	Customer Relationships \$	Australian Financial Services Licence \$	Total \$
Year ended 30 June 2012					
Balance at the beginning of year	3,761,586	2,149,507	2,269,424	130,000	8,310,517
Amortisation charge	-	(390,815)	(248,905)	-	(639,720)
Impairment losses	(1,572,483)	(1,310,920)	(909,920)	-	(3,793,323)
Closing value at 30 June 2012	2,189,103	447,772	1,110,599	130,000	3,877,474
Year ended 30 June 2013					
Balance at the beginning of year	2,189,103	447,772	1,110,599	130,000	3,877,474
Amortisation charge	-	(99,504)	(136,717)	-	(236,221)
Closing value at 30 June 2013	2,189,103	348,268	973,882	130,000	3,641,253

Impairment Disclosures - Goodwill

Goodwill is allocated to cash-generating units (CGU's) which are based on the Group's business segments which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. These segments are representative of the operating segments as defined by accounting standards and as disclosed at Note 21.

Goodwill has arisen following the acquisition of Excelsa Equities Ltd on the 12th August 2010.

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. The value-in-use is calculated based on the present value of cash flow projections over a 5-year period, together with the following assumptions:

- growth is forecast to be stagnant with funds under management increases the primary source of increased revenues for this business segment;
- a terminal value based on a multiple of EBIT of 3, this being reflective of the Excelsa client demographic;
- a discount rate of 16.4% being the weighted cost of capital of the group.

Sensitivity Analysis

The recoverable amount is sensitive to several key assumptions and a change in these assumptions could cause the carrying amount to exceed the recoverable amount. The following variations in the assumptions would see the carrying amount equal the recoverable amount:

- an increase in the discount rate to 30%;
- a decrease in stockbroking revenue of 13%;

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	WA

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Notes To The Financial Statements (cont)

12. Intangibles (cont)

Excelsa Funds Management Pty Ltd

Identifiable intangibles represent management rights agreements acquired by Excelsa Funds Management Pty Ltd (wholly owned subsidiary of Excelsa Ltd acquired 7 January 2010) to act as fund manager for three funds; Generator, Emergent and Maximiser.

These management agreements have varying expiration dates, the longest of which runs to 21 April 2033. Given the uncertainty with looking forward over such a period, management have thought it prudent to adopt a seven year period as reflective of the useful life of these agreements.

The purchase consideration has been allocated to the respective management agreements by forecasting revenues derived from funds under management (FUM) over the seven year period.

FUM growth projections are reviewed at each balance date, taking into account the current financial and investment climate. The structure and running costs of the Group's funds are also being assessed in terms of their respective financial viability going forward, with a view to delivering a more cost effective structure.

Excelsa Equities Ltd

Identifiable intangibles represent Excelsa Equities Limited's external customer relationships, or stockbroking clients. The non-Excelsa customer relationships represent the right of Excelsa to undertake stockbroking activities on behalf of its pre-existing customer base.

Given the highly retentive nature of the customer relationships (approximately 80% of customers were repeat customers), a ten year useful life has been attributed to these customer relationships. This has been reviewed by management and determined as appropriate.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

13. Trade and Other Payables

	Note	2013 \$	2012 \$
Trade creditors		590,982	277,432
Accrued expenses		165,728	186,476
		<u>756,710</u>	<u>463,908</u>

14. Provisions

	2013 \$	2012 \$
Opening balance at 1 July 2012	113,603	42,522
Net reduction in provisions	(71,494)	71,081
Closing Balance at 30 June 2013	<u>42,109</u>	<u>113,603</u>

15. Borrowings

		2013 \$	2012 \$
Current (secured):			
- IBM Global Financing Australia Ltd	a	49,243	-
- Hammond & Simonds Pty Ltd	b	250,000	-
Unsecured:			
- DJ Capital Solutions Pty Ltd	c	531,000	-
- Canton Mackenzie Hong Kong Pty Ltd	c	114,000	-
- Canton Mackenzie Fund	c	350,000	-
- Worberg Global Fund	c	100,000	-
		<u>1,394,243</u>	-
Non-current (secured):			
- IBM Global Financing Australia Ltd	a	90,150	-
		<u>90,150</u>	-

- a. The finance lease with IBM Global Financing Australia Ltd is secured by the IT equipment being financed. This lease has a 3 year term expiring in March 2016.
- b. The loan from Hammond and Simonds Pty Ltd is secured by a General Security Agreement that grants a fixed charge over the Group's estate and interest in its property. The loan incurs interest at the rate of 12% per annum payable monthly and the principal expires on 3 November 2015.

During the year changes in the composition of the Board led to a technical default on the loan causing the lender to exercise his rights over the Vertua shares as per Note 9. The disposal of the shares at this time has been treated as for Nil consideration and the full face value of the loan retained.

- c. The unsecured loans were repaid in July 2013 from the proceeds of the rights issue.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	111

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Notes To The Financial Statements (cont)

16. Issued Capital

33,064,160 fully paid ordinary shares (2012: 28,031,981)

Capital raising costs

	2013	2012
	\$	\$
	26,630,561	26,546,697
	(912,246)	(912,246)
	25,718,315	25,634,451

Ordinary Shares

At the beginning of the reporting period

Shares issued during the year:

- share placement

- shares issued as deferred consideration for acquisition of Excelsa Equities Ltd

Shares bought back during the year

	2013	2012
	No.	No.
	28,031,981	28,363,145
	4,200,000	-
	833,333	-
	(1,154)	(331,164)
	33,064,160	28,031,981

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

16. Issued Capital (continued)

The Company has maintained the on-market share buy-back program, but does not intend to exceed buying back above the 20% figure where shareholder approval is required. The Company's cash reserves are unlikely to be utilised in this area moving forward. At the date of this report 6,487,542 shares have been purchased under the buy-back plan at a cost of \$4,299,256.

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the company does not have authorised capital or par value in respect of its issued shares.

The ordinary shares participate in dividends and the proceeds on winding up in proportion to the number of shares held. At shareholders meetings each ordinary shareholder is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

On 12 August 2010 the company issued 6,375,000 ordinary shares at \$0.40 each to the vendors of Excelsa Equities Ltd as part consideration for the purchase of that subsidiary.

These shares were released from voluntary escrow in September 2012.

17. Commitments

Operating Lease Commitments

Non-cancellable operating lease contracted for but not capitalised in the financial statements

Payable - minimum lease payments:

	2013 \$	2012 \$
- not later than 12 months	20,901	552,542
- between 12 months and 5 years	-	1,519,489
- greater than 5 years	-	-

The property lease is a non-cancellable lease expiring on 30 September 2013 after which Excelsa will share office space on Level 1, 2 Miami Key. The monthly contribution to rent is currently being negotiated with the current tenant. The reduction in on-going office lease commitments reflects the successfully negotiated surrender of the office lease at Level 21, 333 Ann Street, Brisbane.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	100

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Notes To The Financial Statements (cont)

18. Property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amount are as follows:

	IT Equipment	Total
Gross carrying amount		
Balance 1 July 2012	-	-
Additions	155,000	155,000
Balance 30 June 2013	<u>155,000</u>	<u>155,000</u>
Depreciation and impairment		
Balance 1 July 2012	-	-
Depreciation	(19,249)	(19,249)
Balance 30 June 2013	<u>(19,249)</u>	<u>(19,249)</u>
Carrying amount 30 June 2013	<u>135,751</u>	<u>135,751</u>

19. Leases

Finance leases as lessee

The Company's IT equipment is held under finance lease arrangements. As at 30 June 2013, the net carrying value of the IT equipment held under finance lease arrangements is \$135,751 (2012: \$Nil) (See Note 18).

Finance lease liabilities are secured by the related assets held under finance leases. Future minimum finance lease payments at the end of each reporting period under review were as follows:

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	After 5 years	
30 June 2013				
Lease payments	57,270	95,451	-	152,721
Finance charges	(8,027)	(5,301)	-	(13,328)
Net present values	<u>49,243</u>	<u>90,150</u>	<u>-</u>	<u>139,393</u>

The lease commenced on 25 March 2013 financing the upgrade of all information technology aspects of the Company's business. This lease expires on 25 March 2016 upon payment of the final monthly instalment.

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	100
WAPOL.N	38.2	38.4	38.3	1.0K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	11K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

20. Contingent Liabilities

There are warranty claims by clients of Excela Equities Limited under its Australian Financial Services Licence, prior to its acquisition by Excela Limited on 12 August 2010. As noted in the Directors' Report, Excela Ltd moved to sever all ties with Peter Spann in May/June this year. As a consequence of the settlement reached with Mr Spann, the details of which remain confidential, Excela is no longer able to rely on the Indemnity previously provided by Mr Spann in relation to these warranty claims. At the date of this report the Directors believe there may be warranty claims requiring a financial settlement, depending upon the results of further investigations.

As disclosed in Note 15, the Company is in technical breach of a loan facility. Contingent penalty amounts may be payable however the Company has disputed that this is the case and the penalty amounts are limited to interest payable over the term of the facility. The Company continues to amortise the facility in line with the contracted schedule. The loan has been disclosed as current at face value.

21. Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group is managed primarily on the basis of the service areas it provides, with segments determined on the same basis. Those segments are:

- (i) investment management, comprising the management of an investment portfolio consisting of managed fund investments; and
- (ii) funds management, being the provision of a multi-manager approach, using sector specialists; and
- (iii) stockbroking

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 sales.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority of economic value from that asset.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	100

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Notes To The Financial Statements (cont)

21. Segment information (cont)

(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 provisions.

(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:

- impairment of assets, income tax expense, current tax liabilities.

(f) Segment performance

30 June 2013	Investment M'ment \$	Funds M'ment \$	Stock- Broking \$	Events \$	Total \$
REVENUE					
External revenue	(185,910)	440,465	2,239,424	23,698	2,517,677
Less inter-segment sales	-	-	-	-	-
Interest revenue	21,612	-	744	-	22,356
Total segment and group revenue	(164,298)	440,465	2,240,168	23,698	2,540,033
Segment net profit/(loss) before tax and amortisation from continuing operations	(164,299)	(1,280,325)	93,204	23,698	(1,327,722)
Less amortisation expense	-	(99,504)	(136,717)	-	(236,221)
Segment net profit/(loss) after tax and amortisation from continuing operations	(164,299)	(1,379,829)	(43,513)	23,698	(1,563,943)
Reconciliation of segment result to group net profit/(loss) before tax					
Amounts not included in segment result but reviewed by Board:					
- company holding costs					(1,678,961)
Net profit/(loss) before tax from continuing operations	(164,299)	(1,379,829)	(43,513)	23,698	(3,242,904)

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For the year ended 30 June 2013

Notes To The Financial Statements (cont)

21. Segment information (cont)
(f) Segment performance

30 June 2012	Investment M'ment \$	Funds M'ment \$	Stock- Broking \$	Events \$	Total \$
REVENUE					
External revenue	(357,389)	696,116	3,982,254	147,371	4,468,352
Less inter-segment sales	-	-	-	-	-
Interest revenue	42,427	-	11,697	-	54,124
Total segment and group revenue	(314,962)	696,116	3,993,951	147,371	4,522,476
Segment net profit/(loss) before tax and amortisation from continuing operations	(314,962)	(1,820,981)	845,361	(303,264)	(1,593,846)
Less amortisation expense	-	(390,815)	(248,905)	-	(639,720)
Less impairment of goodwill	-	-	(1,572,483)	-	(1,572,483)
Less impairment of intangible assets	-	(1,310,919)	(909,920)	-	(2,220,839)
Segment net profit/(loss) after tax and amortisation from continuing operations	(314,962)	(3,522,715)	(1,885,947)	(303,264)	(6,026,888)
Reconciliation of segment result to group net profit/(loss) before tax					
Amounts not included in segment result but reviewed by Board:					
- company holding costs					(1,307,311)
Net profit/(loss) before tax from continuing operations	(314,962)	(3,522,715)	(1,885,947)	(303,264)	(7,334,199)

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	100

EXCELA LIMITED
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Notes To The Financial Statements (cont)

21. Segment information (cont)
(g) Segment assets

30 June 2013	Investment Managem't \$	Funds Managem't \$	Stock- Broking \$	Total \$
Segment assets	16,982	416,125	3,501,682	3,934,789
Segment asset increases for the period				
- acquisitions	-	-	-	-
Total Group Assets	16,982	416,125	3,501,682	3,934,789

30 June 2012	Investment Managem't \$	Funds Managem't \$	Stock- Broking \$	Total \$
Segment assets	1,067,925	501,122	3,819,081	5,388,128
Segment asset increases for the period				
- acquisitions	-	-	-	-
Total Group Assets	1,067,925	501,122	3,819,081	5,388,128

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	100
WAPOL.N	38.2	38.4	38.3	1.0K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

21. Segment information (cont)
(h) Segment Liabilities

30 June 2013

	Investment Managem't \$	Funds Managem't \$	Stock- Broking \$	Total \$
Segment liabilities	-	1,097,354	1,185,858	2,283,212
Segment liabilities increases for the period				
- acquisitions	-	-	-	-
Total Group Liabilities	-	1,097,354	1,185,858	2,283,212

30 June 2012

	Investment Managem't \$	Funds Managem't \$	Stock- Broking \$	Total \$
Segment liabilities	-	274,722	302,789	577,511
Segment liabilities increases for the period				
- acquisitions	-	-	-	-
Total Group Liabilities	-	274,722	302,789	577,511

(i) Geographical Region

The Group currently operates in one geographical segment, being Australia.

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SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	111

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Notes To The Financial Statements (cont)

22. Cash Flow Information

(a) Reconciliation of cash flow from operations with profit after income tax

Note	2013 \$	2012 \$
Profit/(loss) after income tax	(3,242,904)	(7,355,713)
Non cash flows in profit/(loss)		
- amortisation	236,221	639,720
- depreciation	19,249	-
- impairment of goodwill	-	1,572,483
- impairment of financial assets	-	2,220,840
Changes in assets and liabilities		
(Increase)/decrease in receivables	116,979	44,819
(Increase)/decrease in other financial assets	185,910	-
(Increase)/decrease in other assets	161,019	241,574
Increase/(decrease) in provisions	(71,494)	71,081
Increase/(decrease) in payables	292,802	(109,277)
Cash flow from operations	(2,302,218)	(2,674,473)

(a) Non-cash transactions from investing and financing activities

The company acquired items of property, plant and equipment through finance lease at cost of \$155,000.

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	100
WAP.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	11K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

23. Events After the Reporting Period

In July 2013 the Company completed a rights issue which raised \$2.8 million.

The acquisition of Avestra Capital Pty Ltd, as announced on the 4th June 2013, is progressing with a view to completion in the coming months, pending a shareholder vote on the transaction.

The directors authorised the financial statements for issue on 30 September 2013.

24. Related Party Transactions

	2013	2012
	\$	\$
(i) Commissions		
Excelsa Funds Management Pty Ltd (EFM), in its capacity as fund manager of its funds Generator, Emergent, Maximiser and the Accelerator Fund, pays trail and up-front commissions to Freeman Fox Pty Ltd, a company owned by Mr Peter Spann, during the year:		
- trail commission	12,172	173,681
- up-front commission	6,590	96,826
(ii) Premises & Services Charges		
Premises and Services charges were paid by Excelsa Ltd to Smartco Pty Ltd, a company controlled by Mr Peter Spann during the year. These charges include, but are not limited to:		
(i) equipment leases; (ii) communications charges; (iii) use of servers, network and internet; (iv) use of telephone handsets, VOIP & call recording facilities; (v) CRM; and (vi) Xplan software.	186,066	719,607
(iii) Investments in Related Entities		
NSX listed director related entities held by the Company at year end: Vertua Ltd (Refer Note 9)	-	185,910
(iv) Short-term borrowings		
On the 9th April 2013, Excelsa Ltd entered a short-term financing arrangement with DJ Capital Solutions Pty Ltd, a company of which Mr John Margerison is a director and shareholder. Interest was charged at the rate of 12% on this facility, a rate seen as commercial in light of the short-term and as-required nature of the facility. The loan was repaid on the 16th July 2013 from proceeds of the rights issue.	531,000	-

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	100

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Notes To The Financial Statements (cont)

24. Related Party Transactions (cont)

(vi) Interest / IT Support

Payments were made to DJ Capital Solutions Pty Ltd, a company of which Mr John Margerison is a director and shareholder, for supply of the following:

	2013 \$	2012 \$
- interest on short-term cash flow finance loans	5,214	-
- IT support	5,127	-

(vii) Consultants Fees

Consulting fees were paid to DJ Partners Pty Ltd, a company of which Mr John Margerison is a director and shareholder, in relation to the negotiated settlement of the surrender of the office lease at 333 Ann Street, Brisbane.

75,000	-
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(viii) Consultants Fees

Consulting fees were paid to Monaphor Pty Ltd, a company of which Mr Delan Pagliaccio is a director and shareholder.

7,500	-
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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	13	14	14	100
WAP.N	38.2	38.4	38.3	1.0K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

25. Financial Risk Management

The Group is exposed to a variety of financial risks including market risk (price risk and interest rate risk), credit risk and liquidity risk. The Board of the Group monitors these risk factors as part of regular reviews of financial performance.

Financial Risk Management Policies

The Audit and Risk Committee (ARC) has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Group. The ARC 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 market risk, credit risk, liquidity risk and interest rate risk. The ARC met twice during the year and minutes of the ARC are reviewed by the Board.

The ARC's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of credit risk policies, market risk including review of the investment manager and future cash flow requirements.

(a) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

	2013	2012
	\$	\$
Classes of financial assets - carrying amounts		
Cash and cash equivalents	4,693	893,655
Trade and other receivables	153,092	270,071
Financial assets	-	185,910
Other current assets	-	161,018
	157,785	1,510,654

The Group has no significant concentration of credit risk with any single counter party or group of counter parties. Credit risk related to balances with banks and other financial institutions is managed by the ARC in accordance with approved Board policy. Surplus funds are only invested with Australian major financial institutions or the Company's own managed funds.

(b) Market Risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The Group is inherently exposed to market risk as it invests its capital in securities whose prices fluctuate, that is, that are not risk free.

SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	111

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Notes To The Financial Statements (cont)

25. Financial Risk Management (cont)

(b) Market Risk (cont)

The key direct risks associated with the consolidated entity are those driven by investment and market volatility and the resulting impact on FUM, or a reduction in the growth of FUM. Reduced FUM will directly impact on commissions income and profit, because commissions income is calculated as a percentage of FUM. FUM can be directly impacted by a range of factors including: poor investment performance, market volatility, a reduction in the ability to retain and attract investors, a loss of key personnel, and investor allocation decisions.

Risk concentration is assessed on a counterparty basis with regards to contribution to total revenue. Excelsa Equities Ltd conducts the stockbroking function for the Excelsa Group's four managed funds, contributing 37% of gross stockbroking revenue. Due to the high percentage of total stockbroking revenue that the funds contribute, there is an acknowledged concentration or risk.

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	240.0	0.0	0	BUSEX	23	24	24	90
WAPOL.N	38.2	38.4	38.3	1.0K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	22K	CASEN	27.0	29.0	0.0	0

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Notes To The Financial Statements (cont)

25. Financial Risk Management (cont)

(c) Interest Rate Risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

30 June 2013

	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Financial assets	-	-	-
Trade and receivables	-	153,092	153,092
Cash assets	4,693	-	4,693
	<u>4,693</u>	<u>153,092</u>	<u>157,785</u>
Weighted average interest rate	4.11%		
Trade and other payables	-	756,710	756,710
Borrowings (See Note 15)	1,484,393	-	1,484,393
	<u>1,484,393</u>	<u>756,710</u>	<u>2,241,103</u>
Weighted average interest rate	12.00%		

30 June 2012

	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Financial assets	-	185,910	185,910
Trade and receivables	-	270,071	270,071
Cash assets	893,655	-	893,655
	<u>893,655</u>	<u>455,981</u>	<u>1,349,636</u>
Weighted average interest rate	5.70%		
Trade and other payables	-	463,098	463,098
Borrowings	-	-	-
	<u>-</u>	<u>463,098</u>	<u>463,098</u>
Weighted average interest rate	-%		

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SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	150.0	267.0	0.0	0	100

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For the year ended 30 June 2013

Notes To The Financial Statements (cont)

25. Financial Risk Management (cont)

(d) Liquidity Risk

Liquidity risk is the risk that there will be difficulties in meeting obligations associated with financial liabilities. Cash flow is monitored daily with a view to any up-coming commitments such as dividends, asset acquisitions and tax payments. The majority of the Group's available cash is invested in its own funds.

(e) Capital Management Strategy

(i) Capital requirements

Management controls the capital of the Group in order to maintain adequate working capital, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital, 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. Excelsa Ltd has maintained in place the on-market share buy-back, but does not intend to exceed buying back above the 20% figure where shareholder approval is required. The Group's cash reserves are unlikely to be utilised in this area moving forward.

(ii) External requirements

The operation of the funds management and stockbroking businesses require the Excelsa Group to hold an Australian Financial Services Licence (AFSL). This licence requires the licence holder to:

- have Adjusted Surplus Liquid Funds (ASLF) of:
- \$50,000; plus
- 5% of adjusted liabilities between \$1 million and \$100 million; plus
- 0.5% of adjusted liabilities for any amount of adjusted liabilities exceeding \$100 million, up to a maximum ASLF of \$100 million.

The licence holder has complied with the externally imposed requirements of the AFSL during the financial year.

The operation of the stockbroking business require the Excelsa Group to be a "market participant" on the Australian Securities Exchange. This requires the participant to maintain its Capital Liquidity Ratio above 1.2, where the ratio is calculated as Liquid Capital divided by Total Risk Requirement (TRR). As the participant clears through a third party, its TRR is a nominal \$100,000. The market participant has complied with the externally imposed financial requirements of the Australian Securities Exchange during the financial year.

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Notes To The Financial Statements (cont)

26. Controlled Entities

Controlled Entities Consolidated	Country Of Incorporation	Percentage Owned (%) 2013	Percentage Owned (%) 2012
Subsidiaries of Excelsa Ltd:			
Excelsa Funds Management Pty Ltd	Australia	100	100
Excelsa Equities Ltd	Australia	100	100

27. Excelsa Ltd Company Information

	2013 \$	2012 \$
Current assets	16,982	882,018
Non-current assets	4,626,600	4,752,459
Total assets	4,643,582	5,634,477
Current liabilities	2,156,307	347,130
Non-current liabilities	227,623	939,384
Total liabilities	2,383,930	1,286,514
Net Assets	2,259,652	4,347,963
Issued capital	25,718,315	25,634,451
(Loss) for the year	(2,172,175)	(6,439,074)
Dividends	-	-
Accumulated losses	(21,286,488)	(14,847,414)
Total Equity	2,259,652	4,347,963

See Note 20 for disclosure of contingent liabilities related to Excelsa Limited; the Company has no guarantees.

All commitment disclosures at Note 19 are in relation to Excelsa Limited.

28. Company Details

The Group's registered office and principal place of business is:

Level 2
 2 Miami Key
 BROADBEACH WATERS QLD 4218

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SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	250.0	267.0	0.0	0	WA

EXCELA LIMITED
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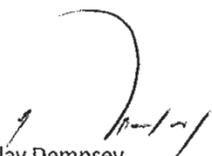
Directors' declaration

- 1 In the opinion of the directors of Excelsa Ltd:
 - a the consolidated financial statements and notes of Excelsa Ltd are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of its financial position as at 30 June 2013;
 - (ii) And of its performance for the financial year ended on that date; and
 - (iii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b there are reasonable grounds to believe that Excelsa Ltd will be able to pay its debts as and when they become due and payable.

- 2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2013.

- 3 Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards

Signed in accordance with a resolution of the directors:


Clay Dempsey

Director

30th September 2013

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	2.3	2.4	2.4	100
WAP.N	38.2	38.4	38.3	1.6K	KDL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	22K	CASEN	27.0	29.0	0.0	0



Grant Thornton Audit Pty Ltd
 ACN 130 913 594

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 E info.qld@au.gt.com
 W www.grantthornton.com.au

**Independent Auditor's Report
 To the Members of Excelsa Ltd**

Report on the financial report

We have audited the accompanying financial report of Excelsa Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

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 us to 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.

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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 judgement, 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 that gives a true and fair view 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 Company'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.

Auditor's opinion

In our opinion:

- a the financial report of Excelsa Ltd 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 2013 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 the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2013. 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.

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SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	23	24	24	100
WAPOL.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0



Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Excela Ltd for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 30 September 2013



EXCELA LIMITED
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Additional Information

Distribution Of Equity Securities

Analysis of number of shareholders by size of holding

Twenty Largest Shareholders

Rank	No. of Holders	Total Units	Issued Capital (%)
1 - 1,000	25	13,835	0.01
1,001 - 5,000	90	340,512	0.20
5,001 - 10,000	166	1,489,787	0.86
10,001 - 100,000	433	12,383,068	7.16
100,001 and over	92	158,836,958	91.77
Total	806	173,064,160	100.00

There were 353 shareholders holding less than a marketable parcel (\$500) based on a market price of \$0.039 at the close of trading on 30 September 2013.

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EXCELA LIMITED
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Additional Information

Share Capital

Excelsa Ltd has on issue 173,064,160 fully paid shares held by 806 holders as at 30 September 2013. All ordinary shares of the Company carry one vote per share.

Twenty Largest Shareholders

Rank	Investor Name	Total Units	Issued Capital (%)
1	BNP Paribas Noms Pty Ltd	42,735,000	24.69
2	HSBC Custody Nominees (Australia) Ltd-GSI EDA	22,600,000	13.06
3	Australian Executor Trustees Ltd	21,100,000	12.19
	<Avestra Advantage Fund>		
4	Avestra Asset Management Ltd	9,000,000	5.20
	<Safecrest Capital Fund>		
5	Bainpro Nominees Pty Ltd	7,000,000	4.04
6	Linizio Pty Ltd	5,500,000	3.18
7	HSBC Custody Nominees (Australia) Ltd	5,075,070	2.93
8	Prowler Holdings Pty Ltd	2,550,000	1.47
9	Mr Akbar Alikhan	2,500,000	1.44
10	Canton Mackenzie Capital Ltd	2,459,969	1.42
11	Kai Ventures Pty Ltd *	2,100,000	1.21
12	Mr Roger B & Mrs Marilyn J Tonks	2,000,000	1.16
	<Tonks Super Fund>		
13	Mr Sean Clinton Beasley	2,000,000	1.16
14	Myoora Pty Ltd	1,773,116	1.02
15	Mr Alan J & Mrs Margaret Wilson	1,713,527	0.99
	<AJ Wilson Family Fund>		
16	Mr Clayton & Mrs Catherine Dempsey	1,600,000	0.92
	<C & C Dempsey Super Fund>		
17	Tizzakate Pty Ltd	1,400,000	0.81
	<Tyrrell Family A/c>		
18	Mrs Natalie Anne Dixon	1,300,000	0.75
19	Mr Peter Frederick Garland	1,050,000	0.61
20	PRHL Holdings Pty Ltd	1,000,000	0.58
Total		136,456,682	78.85

* Kai Ventures Pty Ltd is a company controlled and ultimately owned by Mr Yosse Goldberg.

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SYMBOL	BID	ASK	TRADE	QTY	5
HEALTH CARE				-0.1%	51
ASHAN	250.0	267.0	0.0	0 -	110

SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY	SYMBOL	BID	ASK	TRADE	QTY
SHAW.N	230.0	243.0	243.0	50	IDL.N	136.0	248.0	0.0	0	BUSEX	1.3	1.4	1.4	100
WAPOL.N	38.2	38.4	38.3	1.6K	KOL.N	21.6	23.0	22.0	251	BOGAN	24.8	25.3	25.3	90
				0.0%	ONAL.N	53.2	54.7	55.3	1.1K	CASEN	27.0	29.0	0.0	0

EXCELA LIMITED
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For the year ended 30 June 2013

Corporate Directory

Directors

John Margerison
 Delan Pagliaccio
 Yosse Goldberg
 Clayton Dempsey

Company Secretary

Craig Burbury

Principal Registered Office in Australia

Level 2
 2 Miami Key
 Broadbeach Waters QLD 4218
 1800 110 808

Share Registry

Link Market Services Ltd
 1A Homebush Bay Drive
 Rhodes NSW 2138

Auditor

Grant Thornton
 Level 18
 King George Central
 145 Ann Street
 Brisbane QLD 4000

Solicitors

Nick Stretch Legal
 Suite 802
 530 Little Collins Street
 Melbourne VIC 3000

Bankers

National Australia Bank
 2 Classic Way
 Burleigh Waters QLD 4220

Website

www.excela.com.au

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EXCHANGE

REGULAR TRADING

25-06-2013 13:12

295,195,456.50

3,269

10,530,930

6,105.66 ▼ -43.72

3,440.64 ▼ -31.66

TOP LOSERS ▼

BOL TRADE CHANGE

45.6 -12.6%

4.1 -8.9%

76.0 -8.8%

660.0 -7.1%

1.4 -6.7%

SYMBOL	BID	ASK	TRADE	QTY	%
HEALTH CARE					
ASHA.N	250.0	267.0	0.0	0	-0.1% ▼
ASTR.N	14.1	14.6	14.1	18.9K	-
CHL.N	105.1	106.0	105.0	10K	▼
CHLX	75.0	80.0	0.0	0	-
LHCL.N	38.2	38.7	38.6	5.2K	▲
NHL.N	3.1	3.2	3.1	36.6K	-

INVESTMENT TRUSTS

ASCO.N	134.2	146.9	0.0	0	-
CFL.N	108.0	119.0	0.0	0	-
CINV.N	86.7	89.9	86.7	214	▼
CIT.N	128.0	144.4	0.0	0	-
GREG.N	14.5	14.6	14.6	60.6K	▼
GUAR.N	185.0	188.1	186.0	230	▼
RHL.N	34.3	36.2	35.6	200	-
RHLX	23.9	25.0	23.9	1K	▼

LGLX 3.3K @ 19.50 ▼ -0.30

LGLX 1.7K @ 19.50 ▼ -0.30

CFVF.N 86 @ 18.20 ▲ 0.

EAST.N 9.7K @ 15.00 ▼ -0.



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