ASX Announcement

oceania CAPITAL

27 May 2014

The Manager
Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Appendix 4E and 31 March 2014 Financial Report

Attached for release to the market are:

- Appendix 4E – Preliminary final report
- Results Announcement
- 31 March 2014 financial report

Yours faithfully,

Lionel Baldwin
Company Secretary

t. +612 8243 2200
f. +612 8243 2222
info@oceaniacapital.com.au
www.oceaniacapital.com.au

Oceania Capital
Partners Limited
Suite 3, Level 3
50 Pitt Street

oceania CAPITAL

27 May 2014

Oceania Capital Partners Limited – Preliminary Final Report (Appendix 4E) for the year ended 31 March 2014

Oceania Capital Partners Limited (ASX: OCP) announces the following audited results for the Company and its controlled entities for year ended 31 March 2014:

Results for announcement to the market

Extracted from 2014 Financial Report	Twelve months to 31 March 2014 $A'000	Nine months to 31 March 2013 $A'000	% Change
Revenue from ordinary activities	7,876	1,400	820%
Net loss from ordinary activities after tax attributable to members	(4,883)	(3,146)	(55.2%)
Net loss after tax attributable to members	(4,883)	(3,146)	(55.2%)

The current year results reflect:

- interest income earned on funds held on interest bearing deposit with banking institutions of $0.7 million (2013 – $0.7 million);
- an equity accounted loss from Baycorp of $6 million including OCP's $5.3 million share of a goodwill impairment charge (2013 - $2.7 million loss contribution, including an impairment charge of $4.9 million);
- realised profit of $1 million relating to listed investments;
- the results of operations of Sunshine Coast Broadcasters for twelve months (one month in the prior period).

t. +612 8243 2200
f. +613 8243 2222
info@oceaniacapital.com.au
www.oceaniacapital.com.au

Oceania Capital
Partners Limited
Suite 3, Level 3
50 Pitt Street

oceania CAPITAL

Please refer to the accompanying results announcement and 31 March 2014 Financial Report for further information.

Dividends for period ended 31 March 2014

No final dividend has been declared (2013 – nil).

No interim dividend was declared or paid (2013 – nil)

Net Assets per Share and Net Tangible Assets per Share

The following information is based on the carrying amounts as shown in the consolidated balance sheet at 31 March 2014.

	31/03/2014 $A per share	31/03/2013 $A per share
Net Assets per Share	**2.24**	**2.34**
Net Tangible Assets per Share	**1.77**	**1.88**

The remainder of the information requiring disclosure to comply with ASX Listing Rule 4.3A is contained in the accompanying 31 March 2014 audited Financial Report and Results Announcement.

oceania CAPITAL

27 May 2014

Results Announcement FY14

Highlights

- Significantly improved second half performance with NPAT of $2.48 million
- Baycorp operational improvements showing real traction
- Excellent momentum into FY15 for the Sunshine Coast Broadcasting radio stations, 92.7 MixFM and 91.9 SeaFM
- Successful and profitable exit from Keybridge Capital

Financial and operating summary

Oceania Capital Partners Limited ("**OCP**") today announced a net loss after tax of $4.9 million for the year ended 31 March 2014, comprising the previously reported first half loss of $7.3 million and a second half profit after tax of $2.4 million.

The second half profit includes:

- A profitable second half performance from both Baycorp and EON of over $1.7 million; and
- A realised profit on sale of shares previously held in Keybridge Capital of $1.3 million (in addition to mark-to-market gains previously recognised)

This is summarised in the following table:

Oceania Capital - Profit/(Loss) after tax summary position

	1H14 $'000	2H14 $'000	FY14 total $'000
Corporate	(787)	(618)	(1,405)
EON Broadcasting	930	661	1,591
Baycorp	(7,142)	1,100	(6,042)
Keybridge	(334)	1,337	1,003
Total	(7,333)	2,480	(4,853)

As can be seen from the above, the major negative performance was that of Baycorp in the first half, which delivered a loss after tax of $7.1 million, driven by a $10 million goodwill impairment taken by Baycorp in the first half.

t. +612 8243 2200
f. +612 8243 2222
info@oceaniacapital.com.au
www.oceaniacapital.com.au
ACN 111 554 360

Oceania Capital
Partners Limited
Suite 3, Level 3
50 Pitt Street
Sydney NSW 2000

Having sold our investment in Keybridge Capital in February 2014, OCP's asset base as at 31 March 2014 was:

- 52.76% interest in Baycorp;
- 95% interest in EON Broadcasting, which in turn owns 100% of SCB; and
- $34 million cash for investment purposes.

Further details on the underlying investments are set out below.

No final dividend has been declared for FY14.

Performance of Investee entities

The following comments provide some additional information on the performance and outlook for OCP's underlying investee entities.

Baycorp Holdings Pty Limited ("Baycorp")

The second half trading result from Baycorp evidences a significant operational turnaround for FY14 which has certainly been a year of change within the business. FY14 has seen a significant re-arrangement of business leadership, with the appointment of a new CEO and a number of new senior appointments through the business. In addition, the business has been focused on improving operational processes and client engagement processes, and these changes appear to be cutting through.

Additional strategic growth initiatives pursued by Baycorp during the year include:

- Expanded and deeper data and analytics relationships with the major credit bureaus in Australia and New Zealand
- Expanded relationships with the government sector across both Australia and New Zealand
- Acquisition of Backoffice BPO, which supports the field activities of Baycorp's Western Australian government business
- Establishment of a strategic relationship and equity holding in Centrix Group in New Zealand
- Continuation of the establishment of an offshore operations centre in Manila
- Significant improvements to core collection operations

Baycorp also extended its debt facilities with ANZ Bank for another three years.

The business turnaround is manifested not just in the financial results but also in strong improvements in staff engagement as evidenced by meaningful improvements in the regular staff culture and engagement surveys that are conducted by the business.

The following table summarises the financial performance of Baycorp on a half by half business over the last three years.

Baycorp profit and loss summary data

$'000s *6 months ending*	31-Mar-14	30-Sep-13	31-Mar-13	30-Sep-12	31-Mar-12	30-Sep-11
Total revenue	**31,286**	**21,973**	**25,346**	**27,251**	**30,831**	**24,884**
PDL net revenue	19,635	10,468	13,663	14,707	20,059	12,422
Contingency, FFS, legal and other	11,650	11,505	11,683	12,544	10,772	12,462
Operating expenditure	-25,655	-24,035	-21,460	-21,357	-21,902	-21,870
EBITDA	**5,631**	**-2,063**	**3,885**	**5,895**	**8,929**	**3,013**
Depreciation	-355	-330	-368	-468	-525	-477
EBIT	**5,276**	**-2,392**	**3,517**	**5,427**	**8,404**	**2,536**
EBIT margin	*16.86%*	*-10.89%*	*13.88%*	*19.91%*	*27.26%*	*10.19%*

Notes:
1. PDL net revenue includes PDL interest income, over/under collect, PDL sales and PDL fair value movments
2. EBIT does not include dividend income from CLH shares or mark to market movements in CLH shares through the period

Source: Baycorp Management

This half on half analysis shows the effect of reduced PDL purchasing in FY13, which was a period in which the business paid significant dividends and capital returns to the shareholders, including OCP. The difficult first half trading position in FY14 is also shown in this breakdown, although a fair value adjustment of $3.5 in the carrying values of the PDL's in the first half, shown as a reduction in revenue, makes the half on half comparison more difficult. It also shows the operational turnaround starting to show momentum, with the second half showing the strongest revenue for the business in a number of years.

A notable aspect of the half on half analysis above is that the cost of doing business has increased significantly over the period. This is a permanent increase as the business has increased its resourcing in senior executive roles and in customer facing activities. This resource base is, however, capable of handling an increased volume of collection activity and the business is setting itself to achieve growth through expanded and better customer engagement. The business is seeking in FY15 to arrest the long term decline in the New Zealand contingency business, enabling that segment of the business to show meaningful growth into the future as, over the last three or four years, the Australian growth that has been achieved has been backfilling the decline in the New Zealand position.

The cashflow production of the business is shown on a half on half basis below:

Baycorp cashflow summary data

$'000s *6 months ending*	31-Mar-14	30-Sep-13	31-Mar-12	30-Sep-12	31-Mar-12	30-Sep-11
Total cash receipts	**49,283**	**43,848**	**44,857**	**48,156**	**47,258**	**47,736**
Cash receipts from PDLs	35,535	32,754	32,392	36,499	36,327	36,502
Cash receipts from contingency etc	13,748	11,094	12,465	11,657	10,931	11,234
Total cash payments	-25,295	-24,098	-21,513	-22,820	-22,228	-22,586
Operating cashflow before int and tax	**23,988**	**19,750**	**23,344**	**25,336**	**25,030**	**25,150**
Capital expenditure - PDL	-16,513	-16,942	-13,791	-26,410	-24,884	-21,266
Capital expenditure - Fixed Assets	-373	-380	-103	-120	-135	-962

Source: Baycorp Management

As is usually the case with Baycorp, the cashflow production of this business demonstrates a slightly different picture than the accounting profit and loss performance. The cashflow half year comparison shows greater consistency in cash collection through the periods (as compared to the profit and loss statement), especially in the PDL segment of the business. The business has the capacity to acquire significantly higher levels of PDLs than the average per half year shown in this table of close to $20 million per half and it is Baycorp's short to medium term strategy to increase its share of the PDL market beyond that which is shown in the above data.

Finally, the summary balance sheet position of Baycorp is shown in the following table:

Baycorp balance sheet summary data

$'000s *Position as at*	31-Mar-14	30-Sep-13	31-Mar-12	30-Sep-12	31-Mar-12	30-Sep-11
PDL asset balance (carrying value)	86,259	88,017	89,764	97,000	93,420	84,782
Net debt	-41,482	-45,167	-45,866	-45,400	-41,231	-37,540
Net assets	75,857	72,447	84,498	101,037	111,113	106,948
Net debt/Equity	-54.68%	-62.34%	-54.28%	-44.93%	-37.11%	-35.10%
Net debt/(Net debt plus Equity)	-120.67%	-165.57%	-118.73%	-81.60%	-59.00%	-54.09%
PDL cash collected/Ending PDL carrying value	41.20%	37.21%	36.09%	37.63%	38.89%	43.05%

Source: Baycorp Management

The decline in net asset value through the period needs to take into account distributions to shareholders of $17 million over the period and total goodwill write-downs of $23 million through the period.

OCP's carrying value for its investment is $32.6 million for its 52.76% of Baycorp (implying a total equity value at the carrying value of $61.8 million). This compares to OCP's net cash outlay of $33 million.

EON Broadcasting ("EON")

The 2014 financial year was the first full year of ownership of the EON Broadcasting, which owns 91.9 SeaFM and 92.7 MixFM on the Sunshine Coast in Queensland (operated under EON's subsidiary, Sunshine Coast Broadcasters or SCB). We remain very pleased with the performance of this investment as a standalone business and we are optimistic about the performance for FY15.

The financial year saw the successful transfer of the business out of the much larger national FM radio network operated by Southern Cross Austereo. There have been positives and negatives for the business in exiting the larger network but the relationship with Southern Cross Austereo remains strong and the SCB stations remain part of the Southern Cross Austereo "family" while also maintaining a very strong local presence.

For the first half trading we reported that the SCB business had increased revenue by 3% as compared to the previous comparable period (being the 6 months ending 30 September 2012). This increased performance did not continue into the second half, with the second half revenue coming in at an 8.5% deficit to the previous corresponding period (being the 6 months ending 31 March 2013). For the full financial year, therefore, Sunshine Coast Broadcasters saw an overall 3% decline in revenue in FY14 as compared to FY13. While no decline in revenue year on year is positive, the decline in revenue in this case from $7.1 million in FY13 to $6.9 million in FY14, represents a $200,000 decline in a year that was adversely affected by volatile trading conditions through the federal election period and a period of lacklustre economic performance in the months that followed.

The second half revenue softness was equally experienced at the local sales level and the national sales level. There were a number of internal matters which contributed to the local sales deficiency which have now been addressed. However, the business remains exposed to national sales revenue, which is dependent on the Southern Cross Austereo relationship. If that national network experiences buffeting in the market, SCB's sunshine coast stations are also likely to be adversely affected. As we have little control over the national sales channel our

focus is on expanding sales through the local channels in order to make up for any national deficiency.

The Sunshine Coast Broadcasters stations have made a number of very positive steps forward and the enthusiasm and drive within the business is at a very pleasing level.

Sunshine Coast Broadcasting is taking its format more local on its 92.7 MixFM station having recently secured the services of the broadcasting team known as Todd and Sami, who are very popular on the Sunshine Coast, to create a new, exciting, local weekday Drive show (3pm to 7pm each weekday). With this very welcome addition, 92.7 MixFM will be broadcasting local all day, starting with market leading and iconic Mark and Caroline for Breakfast from 5am, live and local throughout the day with Lyndon and Tim, and then Todd and Sami will bring you home until 7pm.

The rising stars on the Sunshine Coast are our 91.9 SeaFM BarRat and Jess Breakfast team. 91.9 SeaFM focuses on the under 40 demographic and matches the lifestyle of the Sunshine Coast of sea, surf and sun. The programming strategy for SeaFM combines significant locally produced content to produce the SeaFM feeling, as well as taking some of the country's leading radio personalities (including Hamish & Andy, Dan & Maz, Kyle & Jackie O and Angus O'Loughlin of The Bump) to produce an unequalled blend of entertainment, humour and music.

The outlook for EON's first stations is positive and we continue to look for additional stations and related opportunities to add to the EON stable.

OCP net assets per share

Based on the reported values at 31 March 2014, net assets of OCP represented $2.24 per share as set out in the table below:

	Carrying value at 31 March 2014		Basis for carrying value
	$m	$ / share	
Investment in Baycorp	**32,646**	**0.92**	Equity accounted
Net assets of SCB	**11,913**	**0.34**	Actual
Cash and cash equivalents	**34,324**	**0.97**	Actual
Other	**103**	**0.01**	Actual
Total net assets	**78,986**	**2.24**	

Cash and balance sheet

OCP continues to enjoy a strong balance sheet with no recourse debt attributable to the company. During the year EON raised bank debt against the radio station assets, at year end the balance owing was $5.3 million. At balance date OCP had cash resources of some $34 million. OCP continues to seek out new investments and during the period under review considered a range of investment opportunities in a variety industries, proceeding to detailed due diligence on a number of these.

* * *

Further information on the financial results and performance is contained in the Appendix 4E and audited Financial Report released today. Shareholders are also referred to the announcement released today in relation to board and management changes.

For further information, please contact:

Robert Moran
Managing Director
Oceania Capital Partners Limited
Tel: 02 8243 2200

Oceania Capital Partners Limited

(ABN 52 111 554 360)

2014 Financial Report

Contents

The Directors present their report together with the financial report of the Consolidated Entity, comprising Oceania Capital Partners Limited ("the Company" or "OCP") and its controlled entities (together "the Consolidated Entity") for the year ended 31 March 2014 and the Independent Auditor's report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the financial period are:

DIRECTORS	APPOINTED
Ian Tsicalas (Chairman)	25 July 2007
Robert Moran (Managing Director)	25 July 2007
Michael Brogan	10 August 2007
Michael Jacobson	1 March 2012
Brian Scheiner	1 March 2012

Details of the experience and qualifications of the Directors in office at the date of this report are:

Ian Tsicalas (Chairman)
B.A (Syd), B.Com (NSW)
Independent non-executive director
Member of Audit, Finance and Risk Committee
Chairman of Remuneration and Nomination Committee

Ian Tsicalas has significant operational experience having successfully managed both public and private companies.

Ian was Managing Director of Australian Discount Retail Pty Limited until May 2007. Prior to this Ian was chief executive of The Warehouse Group Australia and a director of The Warehouse Group Limited (from December 2003 to November 2005).

Ian was also previously Managing Director of Howard Smith Limited, a leading Australian public company and Commander Communications Limited. Ian is a director of STW Communications Group Limited (since 2007) and represented the Company's interests by appointment to the board of iSOFT Group Limited (from May 2008 until 29 July 2011).

Robert Moran (Managing Director)
LLB, B.Ec, MAICD
Chairman of Investment committee

Robert Moran is Managing Director of the Company. He has been involved as a principal investor for over 15 years at a board and strategic level in a variety of businesses and sectors and taking an active involvement in the underlying businesses. He is experienced in investment banking activities, including financings, capital raisings, mergers and acquisitions and has practiced corporate and commercial law at a senior level.

Robert represents the Company's interests as a director of Baycorp Holdings Limited ("Baycorp") and is a member of the Baycorp Remuneration Committee. He represents the Company as a director of EON Broadcasting Pty Ltd ("ËON") and Sunshine Coast Broadcasters Pty Ltd ("SCB"). Robert previously represented the Company as non-executive Chairman of Signature Security Group (from January 2006 until 29 April 2011), as a director of iSOFT Group Limited (from November 2008 until 29 July 2011) and as director of Keybridge Capital Limited from January 2013 to February 2014. He was also Chairman of the iSOFT and Signature Remuneration Committees and a member of the Signature Audit Committee.

Robert is also a director of Tag Pacific Limited (since 2002).

Michael Brogan

Independent non-executive director

Chairman of Audit, Finance and Risk Committee

Member of Remuneration and Nomination Committee

Michael is a former senior executive director of the FirstRand Banking Group. He is the immediate past Chairman of FirstRand International Limited and the RMB Australia Group.

Michael was a senior executive director with Rand Merchant Bank and the FirstRand Banking Group from 1994 to 2005. Prior to joining the FirstRand Group, Michael had eight years international banking experience with Standard Chartered Bank in Hong Kong where he held numerous senior international executive director positions with business development and operational responsibilities ultimately spanning 17 countries. Prior to joining Standard Chartered Bank, Michael spent 14 years as a partner in a firm of chartered accountants in Australia.

Michael has extensive domestic and international business experience in the areas of strategic business development, mergers and acquisitions, corporate governance, audit, compliance and risk management.

Michael is the non-executive Chairman of Auriferous Mining Limited. He is also Chairman of The Institute for Creative Health, a trustee of the Indochina Starfish Foundation (UK) and a director of the Indochina Starfish Foundation (Australia) Limited.

Michael is a Fellow of The Institute of Chartered Accountants in Australia.

Michael Jacobson

B.Bus.Sci, CA (SA), CFA

Non-executive director

Member of Audit, Finance and Risk Committee

Member of Investment Committee

Michael was an executive of Hosken Consolidated Investments Limited Group ("Hosken Group"), a public listed entity incorporated in South Africa and Listed on the Johannesburg Stock Exchange.

He joined the Hosken Group in 2003 and served as an executive until he left South Africa in January 2011 to jointly found HCI Australian Operations Pty Ltd (HCI), the Company's majority shareholder. As an executive in the Hosken Group, Michael held directorships in several Hosken subsidiaries, the larger ones being Tsogo Sun Holdings, Mettle and Seardel Investment Corporation. He also served on numerous audit and remuneration committees. Michael also served as Chief Executive Officer of Johnnic Holdings, which was a Johannesburg Stock Exchange listed property and gaming company. Michael is an executive director of HCI.

Michael represents the Company as a director of Baycorp.

Brian Scheiner

BA, LLB, H DIP Advanced Company Law, H Dip Tax

Non-executive director

Member of Remuneration and Nomination Committee

Member of Investment committee

Prior to joining the Hosken Group, Brian had co-founded a successful corporate advisory business. Before that, he spent 10 years at one of the largest law firms in South Africa, where he was a full equity partner, practicing in the corporate and commercial department. He joined the Hosken Group in 2003 and served as an executive until 2007. He and his family then relocated to Australia. Brian re-joined the Hosken Group to jointly found HCI in 2011. Brian is an executive director of HCI.

Brian represents the company as a director of EON and SCB.

Subsequent to year end the Company announced the following changes to the Board:

- Robert Moran will transition to Non-executive chairman;
- Michael Jacobson and Brian Scheiner will be appointed as joint executive directors responsible for the day to day operations of the Company; and,
- Ian Tsicalas and Michael Brogan will stand down as non-executive directors.

The management effects are to take effect from 30 June 2014 and the Board changes from closure of the Annual General Meeting of the Company, currently scheduled to take place on 29 July 2014.

COMPANY SECRETARY

Lionel Baldwin
CA (SA), B.Comm (Hons)
Member of investment committee

Lionel joined the Hosken Group in 2002 where he has held various executive positions in group finance. He has held directorships in several Hosken Group subsidiaries. In January 2011 he left South Africa to jointly found HCI. Lionel is a director of HCI. Lionel performs the role of CFO for the company and represents the Company as a director of EON and SCB.

DIRECTOR MEETINGS

The number of Board meetings held, including meetings of Committees of the Board, and the number of meetings attended by each of the directors of the Company during the financial year were:

DIRECTOR	FULL BOARD MEETINGS		AUDIT, FINANCE AND RISK COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
	A	**B**	**A**	**B**	**A**	**B**
Michael Brogan	10	10	4	4	1	1
Michael Jacobson	10	10	4	4	n/a	n/a
Robert Moran	10	10	n/a	n/a	n/a	n/a
Brian Scheiner	10	10	n/a	n/a	1	1
Ian Tsicalas	10	10	4		1	1

A - Number of meetings held during the time the director held office during the period.
B - Number of meetings attended.

ENVIRONMENTAL REGULATION

The Company and its controlled entities were not subject to any specific environmental regulations during the period.

OPERATING AND FINANCIAL REVIEW

The principal activity of the Company during the current and prior reporting periods was investment. The Company has invested in operating businesses, whether privately owned or publicly listed, with decisions being based on the fundamental investment characteristics of the business. The primary objective has been on investing in businesses which have characteristics of resilience and will grow over the investment period, enabling a successful, profitable exit for the Company.

Significant changes and events affecting the Consolidated Entity (the Company together with controlled entities) during the period under review and until the date of this report have been:

- Successfully exiting the investment in Keybridge Capital Limited, realising a profit of some $1 million, and;
- Raising of senior debt by subsidiary EON Broadcasting Pty Ltd.

Results of operations

The net after tax loss of the Consolidated Entity for the year to 31 March 2014 was $4,853,000 (nine months to 31 March 2013: a loss after tax of $3,146,000).

The current period result includes:

- Interest income earned on funds held on interest bearing deposit with banking institutions of $0.7 million (2013: $0.7 million).

- The results of the operations of Sunshine Coast Broadcasters Pty Ltd (SCB) for the full year (2013 only included 1 month of SCB's trading). SCB's contribution to profit before interest and tax for the year was $1.8 million (2013 $0.3 million).

- A $1 million realised profit on the disposal of shares in Keybridge Capital Limited (KBC).

- A net equity accounted loss contribution of $6 million from Baycorp Holdings Pty Limited (Baycorp), this included the Consolidated Entity's share of impairment to goodwill of $5.3 million. In the prior period Baycorp contributed a $2.7 million equity accounted loss, this amount includes an impairment to the carrying value of the Consolidated Entity's investment in Baycorp of $4.9 million.

Financial Position

At 31 March 2014 the Consolidated Entity had net assets of $79 million down from $82.6 million.

The carrying value of the Consolidated Entity's investment in Baycorp at 31 March 2014 was $32.6 million (2013 - $37 million). The reduction in carrying value reflects the equity accounted loss as discussed above.

At balance date the Consolidated Entity had cash at bank of $34.3 million (2013 $17.7 million).

At 31 March 2014 the Consolidated Entity's borrowings amounted to $5.36 million (2013: nil). Borrowings relate to the bank borrowings of subsidiary EON Broadcasting Pty Ltd, secured over the assets of EON and SCB, which are non-recourse to OCP.

Baycorp Holdings Pty Ltd – 52.76%
With effect from 31 March 2014 Baycorp has changed its year end to 31 March. Previously Baycorp had a 30 June year end. The Consolidated Entity's results for the year ending 31 March 2014 include its proportionate share of both the last quarter of Baycorp's 30 June 2013 results and results for the nine months to 31 March 2014.

The overall equity loss contribution from Baycorp for the year to 31 March 2014 is $6 million. As previously reported the Consolidated Entity's results include a proportionate effect of the 30 June 2013 year end impairment of carrying value of goodwill by Baycorp of $10 million and a negative fair value adjustment to the Purchased Debt Ledger book of $3.9 million. The combination of these results and write downs together with the Consolidated Entity's share of movements in Baycorp's reserves for the year to 31 March 2014 has seen the carrying value of its investment in Baycorp reduced to $32.6 million.

EON Broadcasting Pty Ltd – 95%
EON reported revenue for the year of $7.1 million and Earnings before Interest Tax Depreciation and Amortisation (EBITDA) of $1.97 million from the operations of the radio stations, Sea FM 91.9 and 92.7 Mix FM.

This has been our first full year of ownership of EON's Sunshine Coast radio stations. The transition to a stand-alone business, rather than operating as part of a greater radio/television network, absorbed a great deal of management resources in the first half of the financial year. Consequently delaying the implementation of a number of sales related initiatives, that would ordinarily have been implemented by the business earlier in the financial year.

With transition matters now largely complete management is focussing on building revenue in a challenging environment. The local sales performance has been impacted by both the effects of the transition and a more competitive landscape while national sales (where the business is represented by a national radio network) has disappointingly shown little growth over the last year. Plans are in place to invest capital in the upgrading of transmission and studio equipment over the next three years.

Likely developments and prospects
The Company will continue its policy of seeking to make investments in opportunities as indentified by the Board of Directors and to add value to these over time.

Disclosure of specific information regarding likely developments in the activities of the Company and Consolidated Entity and the expected results of those activities is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly this information has not been disclosed in this report.

DIVIDENDS
No interim dividend for the year ended 31 March 2014 was declared or paid during the period. No final dividend for the year ended 31 March 2014 has been proposed or declared.

CHANGE OF BALANCE DATE
On 24 August 2012 the Company announced a change in balance date from 30 June to 31 March to synchronise its financial year end with that of its parent company HCI Australian Operations Pty Ltd. The prior period figures presented in this financial report relate to the nine month period from 1 July 2012 to 31 March 2013. The comparative figures for the income statement and statement of cash flows for the nine month period from 1 July 2012 to 31 March 2013 are consequently not directly comparable.

EVENTS SUBSEQUENT TO REPORTING DATE
Other than as disclosed elsewhere in this report, the directors are not aware of any other matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

DIRECTORS' INTERESTS
Director's relevant interests in the shares of Oceania Capital Partners Limited (OCP) as at the date of this report:

Directors	**Fully paid ordinary shares**
Michael Jacobson	972,701
Robert Moran	935,988
Brian Scheiner	1,011,430

Michael Jacobson and Brian Scheiner are directors of HCI Australian Operations Pty Ltd (HCI) to this extent they are non beneficially interested in the 23,903,356 shares in OCP that are held by HCI at the date of this report.

REMUNERATION REPORT
The Remuneration Report is set out on pages 9 to 14 and forms part of the Directors' Report for the year ended 31 March 2014.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company's Constitution provides that the Company may indemnify any current or former Director, Secretary or executive officer of the Company or of a subsidiary of the Company out of the property of the Company against every liability incurred by a person in that capacity (except a liability for legal costs) and against all legal costs incurred in defending proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity. The Company has entered into Deeds of Access and Indemnity with each of the Officers.

In accordance with the provisions of the Corporations Act 2001, the Company has a Directors and Officers Liability policy which covers all past, present or future Directors, secretaries and executive officers of the Company and its controlled entities. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

The indemnification and insurances are limited to the extent required by law.

AUDIT AND NON-AUDIT SERVICES

Details of amounts paid or payable to BDO, the Company's auditor, for audit services are set out in note 27 to the financial statements. BDO did not provide any non-audit services to the Consolidated Entity during the year under review.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 15 and forms part of the Directors' Report for the year ended 31 March 2014.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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

Ian Tsicalas
Chairman

Dated at Sydney this 27th day of May 2014

This remuneration report, which forms part of the directors' report and is audited, sets out information about the remuneration of the Consolidated Entity's key management personnel for the year ended 31 March 2014.

1. Principles used to determine the nature and amount of remuneration
2. Key management personnel
3. Business performance
4. Details of key management personnel remuneration

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The Consolidated Entity's remuneration policies are designed to align the remuneration of executives with the interests of OCP shareholders.

The OCP Remuneration and Nomination Committee, consisting of non-executive directors, advises the Board on remuneration policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for all key management personnel of the Company. The remuneration arrangements of key management personnel employed by investee entities that are members of the Consolidated Entity are governed by the Remuneration Committee of the relevant member entity. The remuneration policies applied by remuneration committees of those entities are consistent with those of the Company, except as maybe required to satisfy the business needs of those entities.

Executive remuneration and other terms of employment are reviewed annually by the relevant remuneration committee, having regard to the performance goals set at the start of the year, results of the annual appraisal process, relevant comparative information, and, if necessary, independent expert advice on market compensation levels. As well as a base salary, remuneration packages may include superannuation, retention arrangements, termination entitlements, performance related bonuses, long term incentive arrangements and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Consolidated Entity's operations and achieving the Company's strategic objectives.

Payment of any performance related bonuses is linked to the achievement of individual objectives which are relevant to meeting the Consolidated Entity's overall goals. In establishing the level of any performance related bonus for an employee, the relevant remuneration committee considers the results of a formal annual performance appraisal process.

Remuneration and other terms of employment for executives are formalised in service agreements or letters of employment. Participation in long term incentive plans are separately documented in accordance with applicable plan rules.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to non-financial employee benefits) as well as employer contributions to superannuation funds.

Performance linked remuneration

Performance linked remuneration is designed to reward key management personnel for meeting or exceeding key performance objectives, comprising both corporate and personal objectives. Performance linked remuneration may be settled by cash bonuses and/or participation by eligible employees in long term incentive plans as discussed in the following sections.

Non-executive director's remuneration

Fees and payments to non-executive directors of the Company reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. Remuneration of non-executive directors of the Company is determined by the Board within the maximum amount approved by shareholders from time to time. The maximum amount currently stands at $1,000,000 per annum in aggregate for all non-executive directors of the Company, having been increased during the year under review by $400,000 from $600,000, this change was approved by a resolution share holders at the Company's Annual General Meeting.

During the period under review the level of remuneration of non-executive directors (inclusive of superannuation) was set as follows:

- Independent Chairman - $133,250 per annum
- Other non-executive directors base fee - $100,000 to $102,500 per annum
- Non-executive directors fee for membership of Investment Committee - $200,000 per annum

These amounts included fees for membership of Board Committees other than the Investment Committee. It is the company's policy to increase these fees in line with the relevant Australian Consumer Price Index.

The Company's Constitution also allows the Company to remunerate the non-executive directors for any additional or special duties undertaken at the request of the Board. No other fees for additional or special duties were paid or payable for the 2014 and 2013 financial periods.

Directors' fees are paid in cash. Performance related bonuses are not payable to non-executive directors.

2. KEY MANAGEMENT PERSONNEL

The directors and other key management personnel of the Consolidated Entity during the financial year under review were:

Non-executive directors
Ian Tsicalas - Chairman
Michael Brogan
Michael Jacobson
Brian Scheiner

Executive director
Robert Moran – Managing Director

Other senior executive
Lionel Baldwin - Company Secretary and Chief Financial Officer

3. BUSINESS PERFORMANCE

The tables below set out summary of the Consolidated Entity's earnings business performance as measured by a range of financial indicators for the last five financial periods to 31 March 2014. For further discussion on financial performance, refer to the Chairman and Managing Director's Report and review of operations section in the Directors Report.

	31 March 2014 $'000	31 March 2013 * $'000	30 June 2012 $'000	30 June 2011 $'000	30 June 2010 $'000
(Loss) Profit before net financing cost/income, income tax depreciation and amortisation (from continuing operations)	(4,883)	(3,074)	(3,740)	1,383	(122,848)
(Loss) Profit attributable to shareholders of Oceania Capital partners Limited	(4,853)	(3,146)	(2,022)	18,196	(116,365)
Basic earnings per share (cps)	(13.83)	(10.86)	(3.04)	19.80	(126.59)
Share price at perod end (cps)	150	180	162	213	151
Capital returned per share (cps)	-	-	30	-	30

* nine month period ending 31 March 2013

4. DETAILS OF KEY MANAGEMENT PERSONNEL REMUNERATION

Details of the nature and amount of remuneration of each director of the Company receiving remuneration from OCP and each of the following named Company and relevant group executives who receive the highest remuneration are:

(a) For the year ended 31 March 2014:

	Short-term	Post-employment	Other long-term		
	Cash salary fees and comp-ensated absences $	Super-annuation $	Annual and Long-service leave $	Total $	Proportion of remuneration performance related %
Non-executive directors					
Michael Brogan	93,822	8,678	-	102,500	-
Michael Jacobson	282,725	17,275	-	300,000	-
Brian Schiener	282,725	17,275	-	300,000	-
Ian Tsicalas	118,850	14,400	-	133,250	-
Executive director					
Robert Moran	426,095	23,905	4,150	454,150	-
Other executive					
Lionel Baldwin	218,475	17,275	1,883	237,633	-
	1,422,692	98,808	6,033	1,527,533	

(b) For the nine month period ended 31 March 2013:

	Short-term	Post-employment	Other long-term		
	Cash salary fees and comp-ensated absences	Super-annuation	Annual and Long-service leave	Total	Proportion of remuneration performance related
	$	$	$	$	%
Non-executive directors					
Michael Brogan	68,807	6,193	-	75,000	-
Michael Jacobson	68,807	6,193	-	75,000	-
Brian Schiener	68,807	6,193	-	75,000	-
Ian Tsicalas	89,450	8,050	-	97,500	-
Executive director					
Robert Moran	319,702	17,798	6,568	344,068	-
Other executive					
Lionel Baldwin	160,668	11,832	2,563	175,063	-
	776,241	56,259	9,131	841,631	

(c) Indemnities and insurance

Amounts disclosed for remuneration of key management personnel exclude insurance premiums paid by the Consolidated Entity during the period ended 31 March 2014 in respect of directors' and officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual directors and officers. Information relating to the insurance contracts is set out in the Directors' Report. Disclosure of the total amount of the premium and the nature of the potential liabilities in respect of the policy is expressly prohibited by the policy.

(d) Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements or letters of appointment. These agreements may provide for the provision of performance related cash bonuses and other benefits. Other major provisions of the agreements relating to remuneration are set out below.

All arrangements with executives may be terminated early by either party, subject to applicable notice periods and termination payments as detailed below.

Robert Moran, Managing Director, Oceania Capital Partners Limited

Robert Moran has been employed by the Company since 1 September 2009. Robert's employment arrangements comprise:

- A revised base remuneration package of $450,000 per annum including superannuation. This base remuneration was fixed from 1 May 2012. Notice period of six months.
- Participation in a Long Term Incentive Plan. Refer (e) below.

As announced by OCP on 27 May 2014, Robert Moran will transition to Non-executive chairman of the Company with effect from July 2014.

Lionel Baldwin, Chief Financial Officer and Company Secretary, Oceania Capital Partners Limited

Lionel Baldwin has been employed by the Company since 1 May 2012. Lionel's current employment arrangements comprise:

- A base remuneration package of $235,750 per annum including superannuation. Next annual review March 2015.
- Notice period of 3 months.

(e) OCP Long Term Incentive for Robert Moran

The shareholders of the Company approved elements of a Long Term Incentive arrangement (LTI) for the Managing Director, Robert Moran, on 25 July 2012, which forms part of the overall revised remuneration arrangements of Mr Moran which commenced on 1 May 2012.

Objective

The LTI aims to align the return capable of being earned by Mr Moran with the increase in total shareholder value achieved for shareholders.

Operation

Under the LTI, Mr Moran will be eligible for an incentive on and from 31 December 2016 if the Net Asset Value (defined below) exceeds the Threshold Value (defined below) as at that date. In these circumstances, Mr Moran's incentive will be equal to 10% of the difference between the Net Asset Value and the Threshold Value, subject to a specified cap. Mr Moran will not be entitled to any incentive if he resigns (other than because of permanent incapacity) or is dismissed for cause before 31 December 2016.

- 'Net Asset Value' means the value of the net assets of the Company (on a consolidated group basis).
- 'Threshold Value' means $70,000,000 compounded annually from 1 January 2012 at the rate of 8.5% per annum (the $70,000,000 amount could be higher (either $72,500,000 or $75,000,000) in some circumstances).
- The 'Threshold value' is increased by the value of any equity issued by the Company. In December the Company issued shares amounting to $14.9 million and consequently the threshold value at that time increased by this amount.

If Mr Moran's employment is terminated by the Company before 31 December 2016 without cause, he will be entitled to a long term incentive if the Net Asset Value exceeds the Threshold Value as at the date he receives notice.

During the current and prior financial periods through to 31 March 2014 the LTI has been assessed as having no value. As such no expense relating to the LTI has been recognised. On Mr Moran's transition to Non-executive chairman of the Company the LTI will be cancelled.

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF OCEANIA CAPITAL PARTNERS LIMITED

As lead auditor of Oceania Capital Partners Limited for the year ended 31 March 2014, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect to Oceania Capital Partners Limited and the entities it controlled during the period.

Grant Saxon

Partner

BDO East Coast partnership

Sydney, 27 May 2014

Oceania Capital Partners Limited
Consolidated Income Statement
for the year ended 31 March 2014

	Note	Consolidated 2014 (12 months) $'000	Consolidated 2013 (9 months) $'000
Continuing operations			
Revenue from sales	4	7,175	732
Interest income	4	701	668
Total revenue		7,876	1,400
Profit on sale of financial assets	9	1,003	-
Share of loss of jointly controlled entities	10	(6,042)	(2,743)
Fair value adjustment of financial assets		-	488
Other operating income		91	-
Total operating income		2,928	(855)
Due diligence and transaction costs		(38)	(155)
Broadcast production costs		(516)	(23)
Employee benefits expense		(4,152)	(1,207)
Selling costs		(882)	(103)
Promotions and marketing		(71)	(11)
Administration and other operating expenses		(2,181)	(720)
Depreciation	11	(146)	(19)
Financing costs		(134)	-
Loss before income tax		(5,192)	(3,093)
Income tax benefit (expense)	5	339	(53)
Loss for the period		(4,853)	(3,146)
Attributable to:			
Equity holders of the parent entity		(4,883)	(3,146)
Non-controlling interests		30	-
Loss for the period		(4,853)	(3,146)
		Cents	**Cents**
Basic loss per share attributable to ordinary equity holders	28	(13.83)	(10.86)
Diluted loss per share attributable to ordinary equity holders	28	(13.83)	(10.86)

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

Oceania Capital Partners Limited
Consolidated Statement of Comprehensive Income
for the year ended 31 March 2014

	Note	Consolidated	
		2014 (12 months) $'000	2013 (9 months) $'000
Loss for the period		(4,853)	(3,146)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Share of reserves of jointly controlled entities	19	1,688	324
Income tax relating to items that may be reclassified subsequently		(507)	(97)
Other comprehensive income for the period, net of income tax		1,181	227
Total comprehensive income for the period		(3,672)	(2,919)
Attributable to:			
Equity holders of the parent entity		(3,702)	(2,919)
Non-controlling interests		30	-
Total comprehensive income for the period		(3,672)	(2,919)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Financial Position
as at 31 March 2014

	Note	Consolidated 31 March 2014 $'000	Consolidated (Restated) 31 March 2013 $'000
Current assets			
Cash and cash equivalents	6	34,324	17,741
Trade and other receivables	7	1,237	1,950
Other financial assets	8,9	-	5,080
Total current assets		35,561	24,771
Non-current assets			
Other financial assets	8,9	-	5,503
Other receivables	7	306	-
Investments accounted for using the equity method	10	32,646	37,000
Property, plant and equipment	11	471	406
Intangible assets	12	16,438	16,438
Deferred tax asset	13	56	52
Total non-current assets		49,917	59,399
Total assets		85,478	84,170
Current liabilities			
Trade and other payables	14	605	1,079
Borrowings	16	298	-
Current tax liabilities	13	214	113
Employee benefits	15	209	216
Total current liabilities		1,326	1,408
Non-current liabilities			
Borrowings	16	5,062	-
Employee benefits	15	104	104
Total non-current liabilities		5,166	104
Total liabilities		6,492	1,512
Net assets		78,986	82,658
Equity			
Issued capital	18	243,466	243,466
Reserves	19	26,092	24,911
Accumulated losses		(190,952)	(186,069)
Total equity attributable to equity holders of the parent entity		78,606	82,308
Non-controlling interests		380	350
Total equity		78,986	82,658

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Changes in Equity
for the year ended 31 March 2014

		Attributable to owners of Oceania Capital Partners Limited						
Consolidated		**Contributed equity**	**Equity reserve**	**Share of reserves of interests in associates and joint ventures using the equity method**	**Accumulated Losses**	**Total**	**Non-controlling interests**	**Total Equity**
	Note	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 April 2013		**243,466**	**25,690**	**(779)**	**(186,069)**	**82,308**	**350**	**82,658**
						-		-
Profit (loss) for the year		-	-	-	(4,883)	(4,883)	30	(4,853)
Other comprehensive income	19	-	-	1,181	-	1,181	-	1,181
Total comprehensive income		**-**	**-**	**1,181**	**(4,883)**	**(3,702)**	**30**	**(3,672)**
Transactions with owners in their capacity as owners:								
Non-controlling interest shares		-	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 March 2014		**243,466**	**25,690**	**402**	**(190,952)**	**78,606**	**380**	**78,986**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Changes in Equity
for the period ended 31 March 2014

Attributable to owners of Oceania Capital Partners Limited

Consolidated	Note	Contributed equity	Equity reserve	Share of reserves of interests in associates and joint ventures using the equity method	Accumulated Losses	Total	Non-controlling interests	Total Equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2012		**228,640**	**25,690**	**(1,006)**	**(182,923)**	**70,401**	**-**	**70,401**
						-		-
Profit (loss) for the period		-	-	-	(3,146)	(3,146)	-	(3,146)
Other comprehensive income	19	-	-	227	-	227	-	227
Total comprehensive income		**-**	**-**	**227**	**(3,146)**	**(2,919)**	**-**	**(2,919)**
Transactions with owners in their capacity as owners:								
Non-controlling interest shares issued by subsidiary		-	-	-	-	-	350	350
Entitlement offer, net of transaction costs	18	14,826	-	-	-	14,826	-	14,826
		14,826	**-**	**-**	**-**	**14,826**	**350**	**15,176**
Balance at 31 March 2013		**243,466**	**25,690**	**(779)**	**(186,069)**	**82,308**	**350**	**82,658**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Cash Flows
for the year ended 31 March 2014

	Note	Consolidated 2014 (12 months) $'000	Consolidated 2013 (9 months) $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,316	508
Payments to suppliers and employees (inclusive of GST)		(5,959)	(1,824)
Interest received		684	641
Income taxes (paid) refunded		(70)	1,368
Net cash from operating activities		(29)	693
Cash flows from investing activities			
Net proceeds from sale of other financial asset		6,507	-
Restricted cash withdrawn from (deposited) with escrow agent		5,080	-
Payments for purchase of property, plant and equipment	11	(211)	(18)
Dividends from equity accounted joint venture		-	8,908
Acquisition of subsidiary	23	-	(17,607)
Payments for acquisition of other financial assets		-	(2,747)
Net cash from investing activities		11,376	(11,464)
Cash flows from financing activities			
Proceeds from share issue by subsidiary		74	-
Proceeds from borrowings		6,000	-
Repayment of borrowings		(687)	-
Payments of interest and borrowing costs		(151)	-
Proceeds of entitlement offer, net of transaction costs		-	14,826
Net cash from financing activities		5,236	14,826
Net increase in cash and cash equivalents		16,583	4,055
Cash and cash equivalents at 1 April (2013, 1 July)		17,741	13,686
Cash and cash equivalents at 31 March	6	34,324	17,741

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report for the year ended 31 March 2014 comprises Oceania Capital Partners Limited ("the Company"), its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interest in associates and jointly controlled entities. The principal accounting policies adopted in the preparation of the consolidated financial report are set out below, and have been consistently applied by each entity in the Consolidated Entity to all periods presented, unless otherwise stated.

Oceania Capital Partners Limited is a limited liability company incorporated and domiciled in Australia. The company is a for-profit entity for the purposes of preparing financial statements.

The principal activity of the Company is investment. The Company has invested in operating businesses, whether privately owned or publicly listed, with decisions being based on the fundamental investment characteristics of the business. The primary focus is on investing capital in businesses which will grow over the investment period, enabling a successful profitable exit for the Company. The Company, either directly or through subsidiary entities, has invested in a number of businesses that operate in the financial services, commercial radio broadcasting, healthcare technology and security industries. The investment in the security industry was exited in April 2011. The investment in the healthcare technology industry was exited in July 2011.

The financial statements were approved by the Board of Directors on 27 May 2014.

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for profit oriented entities. The consolidated financial report of the Consolidated Entity complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

(b) Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for the following which are measured at fair value:

- derivative financial instruments
- financial assets

The methods used to measure fair values are discussed further in note 8.

Comparative figures

During the prior financial period the Consolidated Entity changed financial year end to be 31 March of each year. The comparative information is for the nine month period ending 31 March 2013. Accordingly the financial performance is for the twelve months from 1 April 2013 to 31 March 2014 and the nine months to 31 March 2013 respectively.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentational currency and the functional currency of the entities in the Consolidated Entity at balance date.

(d) Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998. In accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Use of Estimates and Judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of the recoverable amount of equity accounted investments and the decision not to consolidate these investments (Note 10), financial assets at fair value through profit and loss (Note 8) and tax losses (Note 5), assumptions regarding the indefinite useful life of radio broadcast licences (Note 1(o)) and impairment testing of intangible assets (Note 12).

(f) Principles of Consolidation

Subsidiaries

The consolidated financial statements of Oceania Capital Partners Limited incorporate the assets and liabilities of all entities controlled by the Company as at 31 March 2014 and the results of all controlled entities for the year then ended. Control exists when the Consolidated Entity has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Consolidated Entity. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Consolidated Entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Any contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Consolidated Entity reports provisional amounts for which the accounting is incomplete. Those provisional figures are adjusted during the measurement period (which cannot exceed one year from the acquisition date) to reflect new information obtained about the facts and circumstances that existed as at the date of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Associates and jointly controlled entities
Associates are those entities in which the Consolidated Entity has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Consolidated Entity has joint control, established by contractual agreement. In the consolidated financial statements, investments in associates and jointly controlled entities are accounted for using either fair value through profit and loss or the equity method of accounting as designated as appropriate to each investment.

The Consolidated Entity's investments in associates and jointly controlled entities include goodwill identified on acquisition net of impairment losses, if any.

Where the equity method is applied, the consolidated financial statements include the Consolidated Entity's share of the total recognised gains and losses of associates or jointly controlled entities on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Consolidated Entity's share of losses exceeds its interest in an associate or jointly controlled entity, the Consolidated Entity's carrying amount is reduced to $nil and recognition of further losses is discontinued except to the extent that the Consolidated Entity has incurred obligations or made payments on behalf of the associate or jointly controlled entity.

Where the fair value method is applied, the carrying amount of investments in associates or jointly controlled entities is restated to the assessed fair value with changes recognised in the income statement.

Transactions eliminated on consolidation
All intercompany balances, unrealised income and unrealised expenses arising from intra-group transactions, have been eliminated in full.

Unrealised gains or losses on transactions between the Consolidated Entity and its equity accounted investments are eliminated to the extent of the Consolidated Entity's interest in those entities.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

(g) Foreign Currency Translation
Foreign currency transactions and balances
Transactions in foreign currencies are initially translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items that are outstanding at reporting date are translated at the foreign exchange rate prevailing at that date.

Foreign exchange gains and losses arising on translation are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rates prevailing at the dates the fair value was determined.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at balance date. The income and expenses of foreign operations are translated into Australian dollars at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues and expenses are translated at exchange rates at the dates of the transactions). Any exchange differences arising on translation are taken directly to the Foreign currency translation reserve in equity.

Exchange differences arising from the translation of a net investment in foreign operations, and of related hedges, are taken to the Foreign currency translation reserve and are released into the income statement upon a disposal resulting in a loss of control.

(h) Revenue
Revenue is income that arises in the course of ordinary activities of the Consolidated Entity and is recognised at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

Interest income
Interest income is recognised in the income statement on an accruals basis, using the effective interest method.

Dividend income
Dividend income is recognised in the income statement when the entity's right to receive payment is established.

Commercial radio broadcasting
Revenue represents revenue earned primarily from the sale of advertising airtime and related activities, including sponsorship and promotions. Revenue is recorded when the service is provided being primarily when the advertisement is aired. Commissions payable to media agencies are recognised as selling costs. Other regular sources of operating revenue are derived from commercial production for advertisers, including facility sharing revenue and program sharing revenue. Revenue from commercial production is recognised on invoice, at the time of completion.

(i) Financing Costs
Financing costs comprise interest expense on borrowings calculated using the effective interest rate method, costs incurred in establishing and maintaining borrowing facilities for use in funding business acquisitions, foreign exchange gains and losses on foreign currency borrowings, unwinding of the discount on provisions, fair value movements on other financial assets at fair value through the profit and loss where considered part of the borrowing cost, and gains and losses on hedging instruments that are recognised in the income statement. Borrowing costs are recognised in profit or loss using the effective interest method unless they relate to a qualifying asset in which case they are capitalised in the relevant asset.

(j) Operating Leases
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(k) Income Tax
The income tax expense or benefit on the profit or loss for the year comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

Current tax is the expected tax payable on the current period's taxable income, using tax rates enacted or substantially enacted at balance date. Current tax also includes any adjustment to tax payable in respect of previous years.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax is measured using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the underlying items and the tax rates which are enacted or substantially enacted at balance date and expected to apply when the assets are recovered or liabilities are settled. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising from the recognition of goodwill.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Tax consolidation
The Company and its wholly-owned Australian controlled entities formed a tax consolidated group on 1 July 2005 meaning that all members of the tax consolidated group are taxed as a single entity. The Company is the head entity of the tax consolidated group.

(l) Non-Derivative Financial Instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Financial assets are recognised when the rights to receive cash flows and the risks and rewards of ownership are transferred to the Consolidated Entity. Financial assets are derecognised when the rights to receive cash flows from these assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Financial liabilities are recognised if the Consolidated Entity becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value though profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Purchases of investments are recognised when the Consolidated Entity is entitled to the risks and rewards of ownership. This is usually on settlement date, being the date on which the asset is delivered to the Consolidated Entity. Sales of investments are recognised when the Consolidated Entity is unconditionally committed to sell the asset and the risks and rewards of ownership have been substantially transferred by the Consolidated Entity.

The Consolidated Entity classifies its investments as either loans and receivables at amortised cost or financial assets through profit or loss. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Consolidated Entity provides money, goods or services directly to a debtor with no intention of selling the receivable. After initial measurement, loans and receivables are subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortisation is included in the income statement in interest income. Losses arising from any impairment of such loans and advances are recognised in the income statement.

Financial assets at fair value through profit or loss
An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition or subsequently re-designated in compliance with accounting standards. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial instruments are designated at fair value through profit or loss if the Consolidated Entity manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial instruments that are classified as at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management strategy are reported within liabilities in the balance sheet, but included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Impairment
The Consolidated Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is considered to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment includes observable data that indicates that there is a measurable decrease in the future cash flows expected to be received.

(i) Loans and Receivables
For loans and receivables carried at amortised cost, the Consolidated Entity first assesses whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Consolidated Entity determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

(ii) Financial Assets at Fair Value Through Profit and Loss
For financial assets at fair value through profit and loss, the Consolidated Entity assesses at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

(m) Derivative Financial Instruments

The Consolidated Entity may use derivative financial instruments including interest rate swaps to hedge its exposure to interest rate risks arising from operating, financing and investment activities. In accordance with its treasury policy, the Consolidated Entity does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value. Attributable transaction costs are recognised in profit and loss when incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

At the inception of a hedge relationship, the Consolidated Entity formally designates and documents the hedge relationship to which the Consolidated Entity wishes to apply hedge accounting and the risk management objectives and strategies for undertaking various hedge transactions. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess the effectiveness of the hedge instrument in offsetting the exposure to changes in the fair values or cash flows of hedged items attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair values or cash flows of hedged items and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. A hedge is regarded as highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated are offset in a range of 80% to 125%. For situations where that hedged item is a forecast transaction, the Consolidated Entity assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the income statement.

Derivative financial instruments that do not qualify for hedge accounting are recognised at fair value at inception. Subsequent changes in fair value are recognised immediately in profit or loss.

Cash flow hedges
Changes in the fair value of derivative hedging instruments designated as cash flow hedges are recognised directly in equity in the 'Cash flow hedging reserve' to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised directly in the Statement of Comprehensive Income.

Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss (for example, when a forecast sale that is hedged takes place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the underlying transaction is ultimately recognised in the income statement, unless there is evidence of impairment. When an underlying transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred to profit and loss.

Hedges of a net investment
Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity while gains and losses relating to the ineffective portion are recognised in profit or loss. On disposal of a foreign operation, the cumulative value of such gains and losses recognised in equity will be transferred to profit or loss.

Fair Values
The fair value of derivative financial instruments is the estimated amount that the Consolidated Entity would receive or pay to terminate the derivative financial instruments at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

(n) Property, Plant and Equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (refer note 1(t)). The carrying amount of an item of property, plant and equipment includes the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied within the item will eventuate and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the income statement as incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- leasehold improvements : shorter of lease term or useful life
- other plant and equipment : 2-20 years
- communication equipment : 3-5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

(o) Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Consolidated Entity's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Any goodwill on acquisitions of associates or jointly controlled entities is included in investments in associates or jointly controlled entities where the equity method is adopted. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is not amortised.

Radio broadcasting licences

Radio licences are initially recognised at cost. Analogue licences are renewable for a minimal cost every five years under provisions within the Broadcasting Services Act. The Directors understand that the revocation of a commercial radio licence has never happened in Australia and have no reason to believe that the licences have a finite life. As a result radio broadcasting licences have been assessed to have indefinite useful lives. Accordingly they are not amortised and are tested for impairment annually or whenever there is an indication that the carrying value may be impaired, and are carried at cost less accumulated impairment losses.

(p) Creditors and Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the period and which remain outstanding at balance date. Creditors are stated initially at fair value and subsequently at amortised cost, are unsecured, and are usually paid within 30 days of recognition.

(q) Interest-Bearing Loans and Borrowings

Interest-bearing borrowings are recognised initially at fair value net of attributable transaction costs, which include legal and advisory fees, bank charges and any other ancillary borrowing costs. Fair value is calculated based on discounted expected future principal and interest cash flows. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with income/expense recognised in profit or loss on an effective interest basis.

(r) Employee Entitlements

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave due to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The Consolidated Entity's net obligation for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds that have maturity dates approximating to the terms of the Consolidated Entity's obligations.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Profit-sharing and bonus plans
The Consolidated Entity recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made. The liability is not discounted as it is settled within 12 months.

(s) Provisions
Provisions are recognised in the balance sheet when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting expected future cash flows at a market rate.

(t) Impairment of Non Financial Assets
Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that have a definite useful life and are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is measured by reference to fair value less costs to sell and value in use. An impairment loss is recognised in the income statement unless the asset has previously been revalued, in which case the loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

(u) Issued Capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, or the collection of instalment amounts that were due from shareholders, are or were accounted for as a deduction from equity, net of any related income tax benefit.

(v) Earnings Per Share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) Segment Reporting
Operating segments are determined based on the industry sectors in which the Consolidated Entity has invested which is consistent with the business plan to invest in operating businesses.

(x) Investments Classified as Held for Sale
Investments are classified and reported as held for sale in accordance with the requirements of AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations* upon the Consolidated Entity becoming committed to disposing of the asset in accordance with the requirements of the standard.

(y) New and Revised Accounting Standards and Interpretations
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements and AASB 12 Disclosure of Interests in Other Entities, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

AASB10 Consolidated Financial Statements replaces the guidance on control and consolidation in AASB 127 Consolidated Separate Financial Statements. The Consolidated Entity has reviewed its investments in other entities to assess whether the conclusion to consolidate is different under AASB 10 that under AASB127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as result of the adoption of AASB 10.

AASB 11 Joint Arrangements defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The Consolidated Entity's accounting for the interest in Baycorp was not affected by the adoption of the new standard since the Consolidated Entity has already applied the equity method in accounting for the interest.

AASB 12 Disclosure of Interest in Other Entities contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. This has resulted in some enhanced disclosure in regard to the Consolidated Entity's equity accounted investment in Baycorp (Refer note 10).

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value.

This standard has resulted in some additional disclosures regarding the Consolidated Entity's fair value investments held in the previous year.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

The revised standard did not have any material impact on the recognised amount of the Consolidated Entity's annual leave liability.

(z) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 31 March 2014. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity, are set out below.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement. These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 April 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the Consolidated Entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities.
The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 April 204 will not have a material impact on the Consolidated Entity.

AASB 2013-5 (issued August 2013) - Amendments to Australian Accounting Standards -Investment Entities. The amendments are applicable to annual reporting periods beginning on or after 1 January 2014.

The amendment defines an 'investment entity' and requires a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. The amendment prescribes three criteria that must be met in order for an entity to be defined as an investment entity, as well as four 'typical characteristics' to consider in assessing the criteria. The amendment also introduces disclosure requirements for investment entities into AASB 12 Disclosure of Interests in Other Entities and amends AASB 127 Separate Financial Statements.

Even though management have determined that the parent company meets the definition of an investment entity, it does not meet all of the 'typical characteristics' of an investment entity per paragraph 28 of AASB 10 (as amended), specifically as it does not measure and evaluate the performance of substantially all of its investments on a fair value basis.

AASB 2013-3 (issued June 2013) - Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
AASB 20130-3 is applicable to Annual reporting periods beginning on or 1 January 2014. It clarifies the disclosure requirements for cash-generating units (CGUs) with significant amounts of goodwill and intangibles with indefinite useful lives and also adds additional disclosures when recoverable amount is determined based on fair value less costs to sell.

As this standard amends disclosure requirements only, there will be no impact on amounts recognised in the financial statements. The recoverable amount for CGUs with significant amounts of goodwill and intangibles with indefinite lives will only be required to be disclosed where an impairment loss has been recognised. However, there will be additional disclosures about the level of the fair value hierarchy where recoverable amount for a CGU is determined based on fair value less costs to sell.

Annual Improvements to IFRSs (2010-2012 Cycle) (issued December 2013) Makes non-urgent but necessary changes to IFRS 2: Share based payments, IFRS 3 : Business Combinations, IFRS 8 : Operation Segments and numerous other International Financial Reporting Standards. The amendments are effective from 1 July 2014 and there will be no impact on the financial statements when these amendments are first adopted because they apply prospectively.

Annual Improvements to IFRSs (2011-2013 Cycle) (issued December 2013) – Effective for annual periods beginning on or after 1 July 2014 Makes Non-urgent but necessary changes to numerous other International Financial Reporting Standards and is effective from 1 July 2014. These amendments do not impact the Consolidated Entity in any material way.

2. EARLY ADOPTION OF AASB 9

The Consolidated Entity early adopted AASB 9 *Financial Instruments* with effect for the 2010 financial year in accordance with the transitional provisions contained in the accounting standard. AASB 9 specifies the basis for classifying and measuring financial assets. Classification is determined based on the Consolidated Entity's business model. AASB 9 replaces the classification and measurement requirements relating to financial assets in AASB 139 *Financial Instruments: Recognition and measurement*. The adoption of AASB 9 applied to all members of the Consolidated Entity.

3. SEGMENT REPORTING

Operating segments are determined based on the industry sectors in which the Consolidated Entity has invested, which is consistent with the business plan to invest in operating businesses. The primary operating segments during the current financial period were:

- Financial Services : Receivables management
- Commercial Radio Broadcasting : Operation of FM radio stations

Segment information is disclosed in a manner that reflects the management information reviewed by the Chief Operating Decision Maker and on a financial reporting basis to reflect that the Consolidated Entity does not fully own and, therefore, does not consolidate all the businesses in which it has invested.

The Financial Services segment relates to the Consolidated Entity's equity accounted Joint Venture in Baycorp Holdings Pty Ltd. Note 10 contains more detailed financial information on Baycorp.

The Consolidated Entity operates in one geographical area being the Asia Pacific region.

Segment revenues and results

The following is an analysis of the Consolidated Entity's revenue and results from continuing operations by reportable segment.

	Segment revenue		Segment profit	
	Twelve months ended 31 March 2014 $'000	Nine months ended 31 March 2013 $'000	Twelve months ended 31 March 2014 $'000	Nine months ended 31 March 2013 $'000
Commercial radio broadcasting	7,175	732	1,946	273
Financial services - share of loss in equity accounted joint venture entity	-	-	(6,042)	(2,743)
Unallocated	-	-	1,003	488
	7,175	732	(3,093)	(1,982)
Interest income			701	668
Central administration and employee costs			(2,800)	(1,779)
Loss before tax (continuing operations)			(5,192)	(3,093)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2013:nil)

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, investment income, finance costs and income tax expense. The share of equity accounted profits of joint ventures is allocated to the relevant segment.

3. SEGMENT REPORTING (CONTINUED)

Segment assets and liabilities

	31 March 2014 $'000	31 March 2013 $'000	1 July 2012 $'000
Segment assets			
Commercial radio broadcasting	19,222	19,595	-
Financial services	32,646	37,000	48,327
Total segment assets	51,868	56,595	48,327
Unallocated	33,610	27,575	22,549
Total assets	85,478	84,170	70,876
Segment liabilties			
Commercial radio broadcasting	6,200	1,074	-
Financial services	-	-	-
Total segment liabilities	6,200	1,074	-
Unallocated	292	438	475
Total liabilities	6,492	1,512	475

For the purposes of monitoring segment performance and allocating resources between segments:
(1) all assets are allocated to reportable segments other than current and deferred tax assets. Goodwill is allocated to reportable segments.
(2) all liabilities are allocated to reportable segments other than current and deferred tax liabilities.

Other segment information

	Depreciation		Additions to Property, plant and equipment and intangibles	
	Twelve months ended 31 March 2014 $'000	Nine months ended 31 March 2013 $'000	Twelve months ended 31 March 2014 $'000	Nine months ended 31 March 2013 $'000
Commercial radio broadcasting	133	8	207	16,828
Financial services	-	-	-	-
Unallocated	13	11	4	18
	146	19	211	16,846

The Consolidated Entity operates in one geographic area being the Asia Pacific region.

4. REVENUE

	Consolidated	
	2014	2013
	(12 months)	(9 months)
	$'000	$'000
Sales	7,175	732
Interest	701	668
	7,876	1,400

5. INCOME TAX

(a) Income tax expense recognised in the income statement

	Consolidated	
	2014	2013
	$'000	$'000
Current tax	335	(112)
Deferred tax	4	59
Income tax benefit benefit (expense)	339	(53)
Deferred income tax (expense) benefit included in income tax expense comprises:		
(Decrease) increase in deferred tax assets	4	45
Decrease (increase) in deferred tax liabilities	-	14
	4	59

5. INCOME TAX (CONTINUED)

(b) Numerical reconciliation between income tax expense and pre-tax net profit (loss)

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Loss for the year	(4,853)	(3,146)
Total income tax (benefit) expense	(339)	53
Loss excluding income tax	(5,192)	(3,093)
Income tax at the Australian tax rate of 30% (2012: 30%)	(1,558)	(928)
Increase (decrease) in income tax expense due to:		
Non-deductible expenses	17	1
Impairment expense (benefit) not deductible for tax purposes relating to jointly controlled entities	-	1,466
Dividend from jointly controlled entities	-	252
Results of jointly controlled entities	1,813	(644)
Adjustments for prior period tax expense	(57)	-
Previously unrecognised tax losses now recouped	(131)	-
Other timing differences	(423)	(94)
Total income tax (benefit) expense	(339)	53

(c) Amounts recognised directly in equity

The aggregate current and deferred tax arising in the period and not recognised in net profit or loss but directly debited or credited to equity, is as follows:

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Deferred tax	-	(46)
	-	(46)

(d) Tax losses

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Unused tax losses for which no deferred tax asset has been recognised	188,531	188,969
Potential benefit at 30%	56,559	56,691

The tax losses at 31 March were incurred by Australian entities.

INCOME TAX (CONTINUED)

(e) Tax losses

	Consolidated	
	2014	2013
	$'000	$'000
Deductible temporary difference relating to investments in joint venture entity:	10,353	5,633
Other deductible temporarary differences	672	286
	11,025	5,919
Unrecognised deferred tax asset related to the above temporary differences	3,307	1,775

6. CASH AND CASH EQUIVALENTS

	Consolidated	
	2014	2013
	$'000	$'000
Cash at bank	843	869
Deposits at call	33,481	16,872
	34,324	17,741

7. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2014	2013
	$'000	$'000
Trade receivables	1,019	1,280
Provision for doubtful debts	(20)	(21)
Interest receivable	61	74
Prepayments and other receivables	177	617
Current	1,237	1,950
Loan receivable	306	-
Non-current	306	-

The Consolidated entity has recognised an expense in respect of bad and doubtful trade receivables during the period ended 31 March 2014 of $18,000 (2013: nil) and ($500) benefit (2013: nil) respectively. The provision for doubtful debts is based on known bad debts and past experience for receipt of trade debtors.

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
31 March 2014				
Financial assets designated at fair value through profit or loss	-	-	-	-
Restricted cash	-	-	-	-
	-	-	-	-
31 March 2013				
Financial assets designated at fair value through profit or loss	5,503	-	-	5,503
Restricted cash	5,080	-	-	5,080
	10,583	-	-	10,583

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in active markets, such as publicly traded securities and available-for-sale securities, are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Consolidated Entity is the closing bid price at balance date.

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques and/or consideration of specific circumstances affecting recovery of the financial instruments at balance date. The Consolidated Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are also used to analyse market conditions. Other techniques, such as estimated discounted future cash flows, are used, where appropriate.

(c) Fair value of other financial instruments (not carried at fair value)

The Consolidated Entity also has financial assets and liabilities which are not measured at fair value on the balance sheet. The fair values of these instruments are not materially different to their carrying value as the interest rate payable is close to current market rates or the instruments are short term in nature.

9. OTHER FINANCIAL ASSETS

	Consolidated	
	2014	2013
	$'000	$'000
Current		
Restricted cash	-	5,080
Non-current		
Other financial assets through profit and loss	-	5,503

Restricted cash refers to $5.1 million of the cash proceeds received from the sale of the investment in Signature Security Group that was held in an escrow account and released to the Consolidated Entity in the current financial year.

Other financial assets in 2013 represent the Consolidated Entity's investment in listed securities that were disposed of in the current financial year. A profit of $1 million was recorded on disposal of this investment.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in jointly controlled entities
The Consolidated Entity accounts for investments in jointly controlled entities using the equity method. Investments are in companies incorporated in Australia unless otherwise specified.

		% of ownership interest		Carrying amount	
Name of entity	**Principal activity**	**2014**	**2013**	**2014**	**2013**
		%	%	$'000	$'000
Baycorp Holdings Pty Limited	Receivables Management	52.76	52.55	32,646	37,000

Baycorp Holdings Pty Limited (Baycorp)

The Consolidated Entity's ownership interest in Baycorp increased from 52.55% to 52.76% during the current financial year as a result of Baycorp using excess cash resources to buy back and cancel shares held by a minority shareholder. Notwithstanding the ownership level of above 50.0%, the Consolidated Entity does not have the capacity to control the activities and decision making of Baycorp as the investment remains a jointly controlled entity under the terms of the Shareholders' Agreement. Accordingly, the equity method of accounting continues to be applied.

During the current financial year Baycorp changed its balance date from a 30 June to a 31 March year end.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Movements in carrying amounts

	Consolidated	
	2014	2013
	$'000	$'000
Carrying amount at the beginning of the year	37,000	48,327
Share of net equity accounted (loss) profit after tax	(6,042)	2,145
Impairment of carrying value of investment	-	(4,888)
Share of post acquisition movements in reserves	1,688	324
Dividends received	-	(8,908)
Carrying amount at the end of the year	32,646	37,000

(b) Summarised financial information of jointly controlled entity

The table below includes the summarised financial information presented in the financial statements of Baycorp Holdings Pty Limited and not the Consolidated Entity's share of these amounts. Where appropriate they have been amended to reflect adjustments made by the Consolidated Entity when applying the equity method, such as fair value adjustments at acquisition and adjustments for any differences in accounting policies.

	Consolidated	
	2014	2013
Summarised balance sheet	$'000	$'000
Current assets		
Cash and cash equivalents	6,661	5,796
Other current assets	52,007	51,330
Total current assets	58,668	57,126
Non-current assets		
Goodwill	37,040	44,408
Other non current assets	46,177	46,936
Total non-current assets	83,217	91,344
Current liabilities		
Financial liabilities (excluding trade payables)	3,077	3,271
Other current liabilities	11,372	6,589
Total current liabilities	14,449	9,860
Non-current liabilities		
Financial liabilities (excluding trade payables)	45,066	48,391
Other non-current liabilities	6,513	5,721
Total non-current liabilities	51,579	54,112
Net assets	75,857	84,498

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

	Consolidated	
	2014	2013
	(12 months)	(9 months)
	$'000	$'000
Reconcilliation to carrying amounts		
Opening net assets	84,498	96,727
Profit (loss) for the period	(11,475)	4,082
Other comprehensive income	3,209	640
Dividends paid	-	(16,951)
Buy-back of shares	(375)	-
Closing net assets	75,857	84,498
Consolidated Entity's share in %	52.76	52.55
Consolidated Entity's share $	40,022	44,404
Impairment of carrying value	(4,888)	(4,888)
Benefit arising from equity transactions	(2,488)	(2,516)
Carrying amount	32,646	37,000

	Consolidated	
	2014	2013
	(12 months)	(9 months)
Summarised statement of comprehensive income	$'000	$'000
Revenue	60,328	40,877
Depreciation and amortisation	(685)	(571)
Net interest expense	(3,696)	(2,518)
Income tax expense	125	(1,671)
Loss (profit) from continuing operations	(11,475)	4,082
Profit from discontinued operations	-	-
(Loss) profit for the period	(11,475)	4,082
Other comprehensive income	3,209	640
Total comprehensive income	(8,266)	4,722
Dividends received from Baycorp Holdings Pty Ltd	-	8,908

11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated		
	Leasehold improvements	Plant and equipment	Total
	$'000	**$'000**	**$'000**
Cost			
Balance at 1 July 2012	27	65	92
Additions	-	18	18
Acquisition of subsidiary	92	289	381
Balance at 31 March 2013 (restated)	119	372	491
Additions	-	211	211
Balance at 31 March 2014	119	583	702
Accumulated depreciation			
Balance at 1 July 2012	27	39	66
Depreciation	1	18	19
Balance at 31 March 2013	28	57	85
Depreciation	8	138	146
Balance at 31 March 2014	36	195	231
Carrying amounts			
At 31 March 2013	91	315	406
At 31 March 2014	83	388	471

12. INTANGIBLE ASSETS

	Consolidated	
		(Restated)
	2014	2013
	$'000	$'000
Commercial radio licences		
Cost		
Balance at beginning of financial period	10,000	-
Acquisition of subsidiary	-	10,000
	10,000	10,000
Goodwill		
Cost		
Balance at beginning of financial period	6,438	-
Acquisition of subsidiary	-	6,438
	6,438	6,438
Total non current	16,438	16,438

The value of licences and goodwill is allocated to the Consolidated Entity's cash generating unit (CGU) identified as "Commercial radio broadcasting". The recoverable amount of the Commercial radio broadcasting CGU at 31 March 2014 was determined based on a value in use discounted cash flow model. At 31 March 2013 the recoverable amount of the Commercial radio broadcasting CGU was assessed with regard to the acquisition price and competitive bid process leading up to the acquisition, which occurred during March 2014.

The value in use calculations use cash flow projections based on the 2015 financial budget extended over the subsequent four year period ("Forecast period") using estimated growth rates. Cash flows beyond the five year period are extrapolated using growth rates that do not exceed the long term average growth rate for the business in which the CGU operates. Assumptions used in the value in use calculation include a pre-tax discount rate of 14.75%, revenue and operating cost growth rates of 4% and 3% respectively and a long term growth rate of 2.5%.

As at 31 March 2014 an increase in the discount rate of 3.25% to 18% to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the commercial radio CGU carrying amount exceeding its recoverable amount. If either the revenue growth assumption was to decrease from 4% to 2% or the operating expense growth assumption was to increase from 3% to 6% over the forecast period it would result in the commercial radio CGU carrying amount exceeding its recoverable amount.

13. TAX ASSETS AND LIABILITIES

(a) Current tax assets and liabilities

The current tax liability at 31 March 2014 of $214,000 (2013:$113,000) represents the amount of income taxes payable in respect of the current period.

(b) Deferred tax assets and liabilities

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Employee entitlements	62	16
Deductible business related capital costs	2	246
Other financial assets at fair value through profit or loss	-	(170)
Other items	(8)	(40)
Net deferred tax assets (liabilities)	56	52
Movements:		
Opening Balance	52	-
Credited to profit or loss	4	59
Debited (credited) to equity	-	(46)
Business combinations	-	39
Closing Balance	56	52

14. TRADE AND OTHER PAYABLES

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Trade creditors	191	45
Other creditors and accrued expenses	414	1,034
Current	605	1,079

15. EMPLOYEE BENEFITS

	Consolidated	
	2014	2013
	$'000	$'000
Provision for annual leave	166	174
Provision for bonuses	-	28
Provision for long-service leave	43	14
Current	209	216
Provision for long-service leave	104	104
Non-current	104	104

16. BORROWINGS

	Consolidated	
	2014	2013
	$'000	$'000
Secured bank loan	298	-
Current	298	-
Secured bank loan	5,062	-
Non-current	5,062	-

The secured term loan bears interest at BBSY plus 3.05% and is repayable over 4 years with the final instalment due on 5 November 2017. The loan is secured over all of the assets of the Company's subsidiaries EON Broadcasting Pty Ltd ("EON") and Sunshine Coast Broadcasters Pty Ltd. The carrying value of the assets pledged as security is as follows:

	2014	2013
	$'000	$'000
Total current assets	2,264	-
Total non-current assets	16,958	-
Total assets	19,222	-

In addition the Company has subordinated a claim of $5 million against EON in favour of the lender of the secured term loan.

17. FINANCIAL INSTRUMENTS

(a) Financial risk management

The Consolidated Entity has exposure to a variety of financial risks, which are categorised as market risk, credit risk, and liquidity risk. This note presents information about the Consolidated Entity's exposure to each of these risks. Additional disclosures are presented throughout this financial report.

The understanding and management of risk, particularly preservation of capital, is critical to the Company. The Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and control across the business. Documented policies and processes to enable appropriate management of business and investment risk have been adopted. The Audit, Finance and Risk Committee (AFRC) and the Investment Committee have a key role in overseeing these risk management policies and processes.

Investee entities are responsible for their own risk management. The Company oversees the risk management practices of investee entities through representation on the boards of those entities and involvement in actively assisting and overseeing the management of the businesses.

The risk management policies and analysis described below and throughout this financial report refer to those practices adopted by the entities that are members of the Consolidated Entity.

(b) Market risk

Market risk refers to the potential for changes in the market value of the Consolidated Entity's investment positions or earnings streams. There are various types of market risks including exposures associated with interest rates, foreign currencies and equity market prices. The Consolidated Entity may use derivative financial instruments to hedge certain risk exposures. The methods used to measure the types of risk to which the Consolidated Entity is exposed are described below.

(i) Interest rate risk

The nature of the Company's business has been to invest in listed and unlisted entities. As part of the funding arrangements for transactions, the Board may elect to raise an appropriate level of debt to partially fund the Consolidated Entity's investments. Debt funding exposes the Consolidated Entity to the risk of movements in interest rates.

Interest rate swaps may be used by the Consolidated Entity to manage exposure to interest rate risk. The majority of the derivative financial instruments are floating-to-fixed interest rate swaps. Such derivative financial instruments have the economic effect of converting assets and liabilities from variable interest rate to fixed interest rate arrangements. Under the interest rate swaps, the relevant entity agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The Consolidated Entity had no exposure to interest rate swaps at 31 March 2014.

Interest Rate Sensitivity

The following table summarises the sensitivity of the Consolidated Entity's financial assets and liabilities to a reasonable possible change in interest rates, with all other variables held constant. It assesses the effect that a 100 basis point increase or decrease in the yield curve in the Australian interest rate at 31 March 2014 would have on equity and profit or loss (before tax) at the reporting date. The analysis was performed on the same basis in 2013.

	Consolidated			
	2014		2013	
	Profit or loss	Equity	Profit or loss	Equity
	$'000	$'000	$'000	$'000
100 basis point increase	343	343	228	228
100 basis point decrease	(343)	(343)	(228)	(228)

17. FINANCIAL INSTRUMENTS (Continued)

A sensitivity of 100 basis points has been selected as this is considered reasonable given the current level of short-term and long-term interest rates and the volatility observed both on an historical basis and market expectations for future movements.

(ii) Foreign currency risk

The Company has made investments in Australian dollars only. Each of the businesses in which the Consolidated Entity has invested may conduct operations outside of Australia and may be exposed to foreign currency exchange risk. Each investee entity is responsible for managing its own exposure to these risks.

OCP's policy is to require operating subsidiary companies to manage their foreign exchange risk against their functional currency. For the year to 31 March 2014 neither the Company, or any of its subsidiaries, was exposed to foreign currency risk.

Sensitivity analysis

The Consolidated Entity is not considered to have any material sensitivity to foreign currency exchange risks as it applies net investment hedging.

For the Consolidated Entity, any foreign currency translation risk associated with foreign investments results in some volatility to the foreign currency translation reserve. The impact on the foreign currency translation reserve relates to translation of the net assets of foreign controlled entities including the impact of hedging. The movement taken to the foreign currency translation reserve takes into account the related hedges and represents the impact of the unhedged portion.

(iii) Equity price risk

The Consolidated Entity is exposed to equity securities price risk arising from its investment in the listed securities of Keybridge Capital Limited. Hedging is not entered into in respect of the risk of a general decline in equity market values. The Consolidated Entity does not actively hedge its exposure to the risk of a general decline in equity market values, believing that such strategies are not cost-effective. Instead, the Consolidated Entity prefers to actively manage the underlying business or asset to ensure that its fundamental value is preserved and enhanced.

The Consolidated Entity may enter into hedges of highly probable forecast transactions for payments for listed equity investments. At the reporting date, no derivatives were held for that purpose.

Equity pricing sensitivity

The following table summarises the sensitivity of the Consolidated Entity's financial assets and liabilities to equity price risk at balance date.

	2014		2013	
	Carrying amount $'000	Market or fair value $'000	Carrying amount $'000	Market or fair value $'000
Listed shares (accounted for using the fair value method)	-	-	5,503	5,503

17. FINANCIAL INSTRUMENTS (Continued)

Listed securities are measured at fair value as represented by the share price at balance date. A 10% movement in the share price as at 31 March 2013 would have resulted in an increase or decrease in the fair value of the shares of approximately $0.6 million.

The price risk for any other unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

The Consolidated Entity is not exposed to commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company or its subsidiaries. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk arises from all financial assets included in the statement of financial position.

The Company has invested in listed and unlisted entities. The Company, or a subsidiary entity, will usually only provide loans to investee entities when it forms part of the overall funding provided for an investment transaction. Approval of such funding is the responsibility of the Board.

Operating businesses that the Company invests in will have their own credit risk policies. The Company is actively involved in assisting and overseeing the managing of the business of investee entities, including overseeing that appropriate policies are in place.

The carrying amount of the financial assets recognised in the statement of financial position best represents the Consolidated Entity's maximum exposure to credit risk at the reporting date.

17. FINANCIAL INSTRUMENTS (Continued)

Ageing of financial assets

The following table summarises the credit risk of the Consolidated Entity's financial assets by assessing the ageing of the carrying amount of financial assets. It also details any financial assets that are individually impaired and a description of collateral held where relevant.

		Neither	Past due but not impaired					
	Total	past due nor impaired	< 30 days	30-60 days	60-90 days	> 90 days	Collectively impaired	Individually impaired
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated								
2014								
Cash and cash equivalents	34,324	34,324	-	-	-		-	-
Receivables	1,305	1,217	-	-	51	37	-	-
Other financial assets	-	-	-	-	-	-	-	-
Total	35,629	35,541	-	-	51	37	-	-
2013								
Cash and cash equivalents	17,741	17,741	-	-	-	-	-	-
Receivables	1,950	1,695	-	-	83	172	-	-
Other financial assets	10,583	10,583	-	-	.	-	-	-
Total	30,274	30,019	-	-	-	-	-	-

Liquidity risk

Liquidity risk is the risk that the Company or its subsidiaries will not be able to meet financial obligations as they fall due.

The Board has approved a Financial Management Policy applicable to the Company and its wholly owned subsidiaries. The Financial Management Policy includes policies for the investment of surplus cash and monitoring of the liquidity position. The Company and its wholly owned subsidiaries are required to maintain a cash balance, including any undrawn committed debt facilities, of at least $5 million.

Operating businesses in which the Company has invested and which are not wholly owned are required to manage their own liquidity requirements so as to meet their financial obligations as they fall due. This includes maintaining an appropriate level of surplus cash to support the business and having appropriate overdraft and debt facilities available. The Company is represented on the boards of these entities and is able to monitor the liquidity position.

The liquidity position of the Consolidated Entity is monitored for the impact of potential investment acquisitions or divestments, including any potential borrowing requirements.

The following table analyses the Consolidated Entity's financial liabilities and net settled derivative financial instruments into relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows (including both interest and principal cash flows), except interest rate swaps which are disclosed on a net basis.

17. FINANCIAL INSTRUMENTS (Continued)

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Consolidated							
2014							
Trade and other payables	605	605	605	-	-	-	-
Derivative financial instruments	-	-	-	-			-
Interest bearing loans and borrowings	5,360	6,112	199	391	1,001	4,521	-
Total	5,965	6,717	804	391	1,001	4,521	-
Consolidated							
2013							
Trade and other payables	1,079	1,079	1,079	-	-	-	-
Total	1,079	1,079	1,079	-	-	-	-

Capital risk management

The Board reviews the Company's capital plan including dividend policy, share issuance or repurchase programmes and the issuance of debt.

The Company, directly or indirectly, has invested in listed and unlisted operating businesses. In making investment decisions, the Board considers an appropriate level of equity investment and debt for each transaction with the aim of reducing the equity requirement and maximising the return on capital invested.

18. SHARE CAPITAL

(a) Ordinary share capital

	Company		Company	
	31 March 2014 Shares	31 March 2013 Shares	31 March 2014 $'000	31 March 2013 $'000
Ordinary fully paid shares	35,307,209	35,307,209	243,466	243,466

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

(b) Movements in issued capital

	Number of shares	$'000
Balance 1 July 2012	25,677,757	228,640
Entitlement offer (refer (c) below)	9,629,452	14,926
Transaction costs, net of tax	-	(100)
Balance at 31 March 2013	35,307,209	243,466
Balance at 31 March 2014	35,307,209	243,466

(c) Entitlement offer

On 22 November 2012 the Company announce a partially underwritten 3 for 8 Entitlement Offer at an issue price of $1.55 per share. As a result of the Entitlement Offer a total of 9,629,452 fully paid ordinary shares were issued by the Company on 27 December 2012, raising $14.9 million (before costs of $94,000 net of tax).

19. RESERVES

	Consolidated	
	2014	2013
	$'000	$'000
Equity reserve		
Opening balance	25,690	25,690
	25,690	25,690
Share of reserves of interest in equity accounted jointed venture		
Opening balance	(779)	(1,006)
Share of reserves during the period	1,688	324
Tax effect	(507)	(97)
	402	(779)
Total reserves	26,092	24,911

(a) *Equity reserve*

In accordance with Accounting Standards, a financial asset was recognised in respect of unpaid share capital receivable from shareholders, discounted to fair value at recognition. This treatment resulted in the recognition of $25.7 million of interest income during the financial years 2005 to 2007 which represented the unwinding of the discount over the term to recovery of the receivable. The directors have determined that this income should not be used to pay future dividends and approved the transfer of this amount to an Equity reserve.

(b) *Share of reserves of interests in associates and joint ventures using the equity method*

The Consolidated Entity's share of reserves of interests in associates and joint ventures accounted for using the equity method are recognised in this reserve.

20. DIVIDENDS

No interim or final dividend has been paid or is proposed for payment (2013 – $nil).

Estimated franking credits available for the payment of dividends in subsequent financial years based on a tax rate of 30% total $4,206,000 (2013 $4,206,000).

21. COMMITMENTS

(a) Lease commitments

Commitments in relation to non-cancellable operating leases, contracted for at the reporting date but not recognised as liabilities, are payable as follows:

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Within one year	2,483	2,135
Later than one year but not later than five years	5,543	4,217
Later than five years	3,024	-
	11,050	6,352

The lease commitments represent payments due for leased premises under non-cancellable operating leases, and, in the prior period, included payments for motor vehicles under operating leases.

Included in lease commitments are amounts totalling $10.3 million (2013: $4.8 million) relating to lease commitments of jointly controlled entities.

22. CONTINGENT LIABILITIES

The Consolidated Entity had no material contingent liabilities at 31 March 2014.

23. ACQUISITION OF SUBSIDIARY

On 15 March 2013 Eon Broadcasting Pty Ltd, a 95% held subsidiary of the Consolidated Entity, acquired all of the shares in the capital of Sunshine Coast Broadcasters Pty Ltd (SCB) for an aggregate purchase consideration of $17.6 million. SCB operates two commercial FM radio stations on the Queensland Sunshine Coast.

As the acquisition took place close to the 31 March 2013 year end the information required to account for the acquisition was incomplete. The initial accounting for the acquisition was therefore determined provisionally in the 31 March 2013 financial report. In accordance with AASB3: Business Combinations adjustments to initial provisional accounting for the SCB acquisition disclosed in the 31 March 2013 financial report have been recognised as is the final accounting for the business combination had been completed at the acquisition date. Comparative information for 31 March 2013 has therefore been adjusted.

The revised net assets acquired in the business combination, and the goodwill arising, are as follows:

23. ACQUISITION OF SUBSIDIARY (Continued)

The consequence of the finalisation of the fair values is a reduction in the fair value of the commercial radio intangible assets and the recognition of goodwill in the amount of $6.4 million. Goodwill arose on the acquisition of SCB because the consideration paid for the combination effectively included amounts in relation to the benefit of workforce valuation. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

	Final fair value recognised on acquisition $'000	Provisional fair value recognised on acquisition $'000
Sunshine Coast Broadcasting Pty Limited		
Current assets		
Trade and other receivables	1,209	1,209
Non current assets		
Property, plant and equipment	381	485
Intangible assets - radio licences	10,000	16,334
Deferred tax asset	38	38
Current liabilities		
Trade and other payables	(256)	(256)
Employee benefits	(137)	(137)
Non current liabilities		
Employee benefits	(66)	(66)
Fair value of identifiable net assets	11,169	17,607
Goodwill arising on acquisition	6,438	-
Purchase price	17,607	17,607
Cash payment net of working capital adjustment	17,607	17,607
Costs associated with the acquisition	150	150
	17,757	17,757
Cash outflow on acquisition date		
Consideration paid in cash	17,607	17,607

24. PARENT ENTITY DISCLOSURES

	Consolidated	
	2014 (12 months) $'000	2013 (9 months) $'000
Result of the parent entity		
Profit (loss) for the period	(5,486)	(3,112)
Other comprehensive income (expense)	-	-
Total comprehensive income (expense) for the period	(5,486)	(3,112)

	2014 $'000	2013 $'000
Financial position of the parent entity at period end		
Current assets	33,297	22,056
Total assets	78,329	82,780
Current liabilities	244	400
Total liabilities	291	438
Total equity of the parent entity comprising:		
Share capital	243,466	243,466
Reserves	26,093	24,911
Accumulated losses	(191,521)	(186,035)
	78,038	82,342
Operating lease commitments		
Within one year	42	100
Later than one year but not later than five years	-	42
Later than five years	-	-
	42	142

Contingent Liabilities of the Company at 31 March 2014 are detailed in Note 22. The Company had no capital expenditure or investment commitments at 31 March 2014.

25. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

Ultimate controlling entity
Hosken Consolidated Investments Limited (Incorporated in the Republic of South Africa)

Ultimate controlling entity incorporated within Australia
HCI Investments Australia Pty Ltd

Controlling entity
HCI Australian Operations Pty Ltd

Key management personnel
The following were key management personnel of the Consolidated Entity at any time during the reporting period and, unless otherwise indicated, were key management personnel for the entire period:

Directors
Ian Tsicalas (Independent non-executive Chairman)
Michael Brogan (Independent non-executive director)
Michael Jacobson (Non-executive director)
Brian Scheiner (Non-executive director)
Robert Moran (Managing Director)

Executive
Lionel Baldwin (Chief Financial Officer and Company Secretary, Oceania Capital Partners Limited)

On 27 May 2014, OCP announced the following board and management changes:

- Robert Moran, currently Managing Director, will transition to Non-executive Chairman;
- Michael Jacobson and Brian Scheiner will be appointed as joint executive directors responsible for the day to day operations of the Company; and,
- Ian Tsicalas and Michael Brogan will stand down as non-executive directors.

The management changes are to take effect from 30 June 2014 and the Board changes from closure of the Annual General Meeting of the Company, currently scheduled to be held on 29 July 2014.

Other than as noted above, there have been no changes in key management personnel in the period after the reporting date and prior to the date when the financial report is authorised for issue.

(a) *Details of remuneration*
Details of the total remuneration of all key management personnel, including their personally related entities, are as follows:

	Consolidated	
	2014	**2013**
	(12 months)	**(9 months)**
	$	**$**
Short-term employee benefits	1,427,322	776,241
Other long-term benefits	6,033	9,131
Post-employment benefits	94,178	56,259
	1,527,533	841,631

25. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(b) *Equity instrument disclosures relating to key management personnel*

The number of shares in the Company held during the financial period by key management personnel of the Consolidated Entity, including their personally related entities, are set out below:

2014

Ordinary shares	**Balance at 1 April 2013**	**Purchases**	**Balance at 31 March 2014**
Directors			
Michael Brogan	-	-	-
Michael Jacobson	788,088	184,613	972,701
Robert Moran	935,988	-	935,988
Brian Scheiner	771,430	240,000	1,011,430
Ian Tsicalas	-	-	-
Executive			
Lionel Baldwin	250,001	-	250,001

2013

Ordinary shares	**Balance at 1 July 2012**	**Purchases**	**Balance at 31 March 2013**
Directors			
Michael Brogan	-	-	-
Michael Jacobson	-	788,088	788,088
Robert Moran	619,369	316,619	935,988
Brian Scheiner	-	771,430	771,430
Ian Tsicalas	-	-	-
Executives			
Lionel Baldwin	-	250,001	250,001

25. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(c) *Other transactions with key management personnel or related parties*

Michael Brogan, an independent director, has a commercial arrangement to occupy an office within the Company's premises. The arrangement commenced in June 2010. The Company currently receives a base fee of $13,440 per annum (GST inclusive).

Remuneration paid to directors of parent company, HCI Australian Operations Pty Ltd, during the period was $835,750 (2013:$325,000).

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Company or the Consolidated Entity since the end of the previous financial period and there were no material contracts involving key management personnel interests existing at balance date.

26. SUBSIDIARIES

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

Name of entity	Note	Country Incorporation	Class of Shares/Units	Equity Holding (%) 2014	2013
AEP Signature Holdings Pty Limited		Australia	Ordinary	100.0	100.0
AEP Signature Trust		Australia	Units	99.7	99.7
EON Broadcasting Pty Limited		Australia	Ordinary	95.0	95.0
Sunshine Coast Broadcasting Pty Limited[(a)]		Australia	Ordinary	95.0	95.0

[(a)] This company is 100% owned by EON Broadcasting Pty Limited, the Consolidated Entity effectively holding 95% of its' issued capital.

27. AUDITOR REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

	Consolidated	
	2014 (12 months) $	2013 (9 months) $
Audit services		
BDO East Coast Partnership:		
Statutory audit and review of financial reports	146,339	83,061
Total	146,339	83,061

28. EARNINGS PER SHARE

	Consolidated	
	2014 (12 months) $cents	2013 (9 months) $cents
Total		
Basic loss per share	(13.83)	(10.86)
Diluted loss per share	(13.83)	(10.86)
Continuing Operations		
Basic loss per share	(13.83)	(10.86)
Diluted loss per share	(13.83)	(10.86)
	$'000	**$'000**
Reconciliation of loss used in the calculation of basic earnings per share		
Loss for the period	(4,853)	(3,146)
Profit attributable to non-controlling interests	(30)	-
Loss used in the calculation of total basic earnings per share	(4,883)	(3,146)
Loss used in the calculation of total diluted earnings per share	(4,883)	(3,146)
	Number of shares	
Weighted average number of ordinary shares used in the calculation of basic earnings per share	35,307,209	28,981,292
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	35,307,209	28,981,292

29. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Consolidated	
	2014	**2013**
	(12 months)	**(9 months)**
Net loss for the period after related income tax expense	(4,853)	(3,146)
Adjustments for non cash items:		
Depreciation	146	19
Fair value movement of financial assets	-	(488)
Share of loss of jointly controlled entities	6,042	2,743
Profit on sale of other financial asset	(1,003)	-
Other non cash items	(299)	-
Changes in operating assets and liabilities:		
- (Increase) decrease in receivables	30	(25)
- (Increase) decrease in current and deferred tax assets	(4)	1,258
- Increase (decrease) in creditors	(210)	201
- Increase (decrease) in employee entitlements	21	18
- Increase (decrease) in current tax liabilities	101	113
Net cash from operating activities	(29)	693

30. EVENTS SUBSEQUENT TO BALANCE DATE

Other than as disclosed elsewhere in this financial report, there have been no significant events subsequent to balance date.

Directors' Declaration for the period ended 31 March 2014

In the opinion of the Directors of Oceania Capital Partners Limited ("the Company"):

(a) the consolidated financial statements and notes set out on pages 16 to 62 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 31 March 2014 and of its performance for the financial period ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors draw attention to Note 1 to the financial statements, which include a statement of compliance with International Financial Reporting Standards.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the year ended 31 March 2014.

Signed in accordance with a resolution of the Directors.

Ian Tsicalas
Chairman

Dated at Sydney this 27th day of May 2014.

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Oceania Capital Partners Limited

Report on the Financial Report

We have audited the accompanying financial report of Oceania Capital Partners Limited, which comprises the consolidated statement of financial position as at 31 March 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of Oceania Capital Partners Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Oceania Capital Partners Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Oceania Capital Partners Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

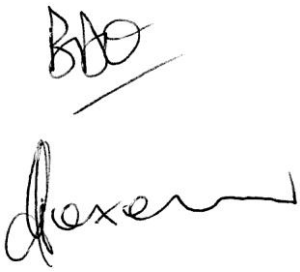
Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 14 of the directors' report for the year ended 31 March 2014. 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.

Opinion

In our opinion, the remuneration report of Oceania Capital Partners Limited for the year ended 31 March 2014 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership



Grant Saxon

Partner

Sydney

Dated: 27 May 2014