



Appendix 4D

Name of entity

Corum Group Limited

ABN or equivalent company reference

25 000 091 305

Half year ended ('current period')

31 December 2017

Financial year ended
(‘previous corresponding period for
Balance Sheet’)

30 June 2017

Half year ended
(‘previous corresponding period for
Statement of Comprehensive Income and
Cash Flow Statement’)

31 December 2016

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Results for announcement to the market

Extracts from this report for announcement to the market

1. Revenue from ordinary activities	Down 15.8% to	\$6,382,000
2. Profit from ordinary activities after tax attributable to members (i)	Up 82.8% to	\$223,000
3. Profit for the period attributable to members (i)	Up 82.8% to	\$223,000

Statement regarding dividends	No dividends have been declared
Record date for determining entitlements to the dividend	N/A

	Current Period	Previous Corresponding Period
Net tangible assets/(liabilities) per security	3.1 cents	3.4 cents

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Corum Group Limited

ABN 25 000 091 305

**Half-Yearly Report
For the Six Months Ended
31 December 2017**

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Directors' Report

The Directors present their report, together with the financial statements, on the Consolidated Entity consisting of Corum Group Limited ('Corum' or the 'Company') and the entities it controlled for the half-year ended 31 December 2017.

Directors

The names of Directors in office at any time since the beginning of the half-year up to the date of this report are:

Bill Paterson – Chairman and Non-executive Director
Matthew Bottrell – Non-executive Director
Gregor Aschoff – Executive Director

Company Secretary

The following person held the position of Company Secretary during or since the end of the half-year:

David Clarke – Company Secretary

Principal Activities

The continuing principal activities of the Consolidated Entity during the financial half-year consisted of:

- Software development and sales with particular emphasis on point-of-sale and pharmaceutical dispensing software, support services and computer hardware; and
- A financial gateway providing transactional processing for electronic bill payments, funds transfer and processing services for the real estate industry and for other corporate clients.

Operating Results

The operating profit of the Consolidated Entity before providing for income tax amounted to \$418,000 (2016: \$1,003,000). Net profit after taxation expense was \$223,000 (2016: \$122,000).

There were no changes to the operations during the financial period.

Dividends

No dividend was paid by the company in the half-year ended 31 December 2017.

Review of Operations

Profit after tax for the half year to 31 December 2017 was \$223,000, an improvement on the prior period result of \$122,000.

Revenue for the half year was \$6,382,000, a decrease of 15.8% on the prior period. Both Health Services and Ecommerce continue to contribute profitably to the Company.

The Health Services revenue was impacted by losses from several banner groups either introducing their own software or continuing to implement previous decisions to change platforms. These actions were expected and previously announced.

Much of the focus in 2017 was to provide stability in the products, increase productivity, and rebuild customer confidence. Two full product upgrades in 2017 addressed product performance concerns and were accompanied by a dramatic improvement in both deployment and quality of performance.

Directors' Report continued

Review of Operations continued

The previously announced company transformation program focuses on initiatives to improve productivity and adapt the organisation to its revenue base, whilst continuing to invest in existing and new products. In the current half year, significant employment resources have been directed toward the implementation of these goals.

Productivity initiatives include reengineering of internal processes to improve performance, improvements in product deployment capability, expansion of hot-patching capability, and the simplification of all activity relating to hardware sales and support.

Activity also focused on building future products and the continued support of existing platforms. The Research and Development expenditure during the half year amounted to \$2.0 million, of which \$1.7 million was invested in future products and capitalised as intangible assets.

Development highlights during the half year included:

- Corum Clear Dispense achieving its technical preview milestone,
- Corum Cloud Reporting pilot underway and in use by 20 pharmacies,
- Completed and launched complementary products that provide value adding solutions for customers. This includes the script scanning solution ScriptARC, the Bill Payments module, and the upgraded Safeguard Plus store backup and recovery system,
- Other enhancements and improvements to existing products, including integrations with dose administration aids, streamlined product workflows, and upgrades of head office product capabilities.

Corum recognises that customers on existing platforms must be supported, and has specifically continued to deliver new features and upgrades to existing products during the half year.

Cash held by the Company at the end of the financial period was \$5.3 million, compared to \$8.1 million at the end of June 2017. The cash position is a result of the significant investment in new product development, lower receipts from customers, increased receivables that have subsequently been collected, and \$0.5 million of other revenue that is due but not yet received.

Subsequent to its reporting date the Company received a \$1.4 million tax refund. The cash balance at the end of January 2018 stood at \$7.3 million.

All investments and operations are being funded from the Company's cash flow and cash reserves. The Company has no borrowings.

Outlook

Corum completed a strategic review of the business in the second half of FY17 and subsequently adopted a strategy focused on the Health Services business comprising the key elements of stabilisation, transformation and growth.

With stabilisation in place, the first half of FY18 has been focused on transforming the business to be profitable at lower revenue levels and to establish a strong platform from which to grow. These initiatives will continue through the remainder of FY18.

Corum will continue to invest in its existing platforms with additional features and upgrades planned throughout 2018. The Company is also working directly with customer groups to better align the product roadmaps of the corporate head office products with these groups' goals and objectives.

The new Corum Clear Dispense is due for release during 2018 and has reached its technical preview milestone. Corum will now put it through an extensive evaluation and feedback process with customers to ensure it is optimised for usability, features and performance when it goes live later in the calendar year.

Directors' Report continued

Review of Operations continued

New products will add to revenue as they come on line. However, the nature of recurring revenue in Corum's business means that the full impact of this revenue will be felt in periods beyond the current financial year.

The continuing transformation initiatives are aiming to produce an improved underlying operating cash flow result in the first quarter of FY19, through both strengthening revenue and management of the cost base. In addition, Corum is working on specific opportunities for future growth and will advise the market further at the appropriate time.

Financial Position

The Consolidated Entity net assets are \$14,199,000 (June 2017: \$13,976,000). Working capital, current assets less current liabilities, is a surplus of \$6,688,000 (June 2017: \$6,861,000).

Going Concern

Directors have prepared these financial statements on the basis that the Company is a going concern.

Events Subsequent to Reporting Date

A tax refund of \$1,418,000 in relation to the 2017 financial year was received subsequent to the reporting date on 17 January 2018.

Other than disclosed above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial periods.

Auditor's Independence Declaration

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 5.

Rounding of Amounts

The Company is an entity to which ASIC legislative instrument 2016/191 applies and, accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

This Report of the Directors is signed in Sydney in accordance with a resolution of the Board of Directors.



Bill Paterson
Chairman



Matthew Bottrell
Director

Dated: 28 February 2018

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DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF CORUM GROUP LIMITED

As lead auditor for the review of Corum Group Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Corum Group Limited and the entities it controlled during the period.



John Bresolin
Partner

BDO East Coast Partnership

Sydney, 28 February 2018

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2017**

	Note	2017 \$'000	2016 \$'000
Revenue	2	6,382	7,578
Materials and consumables used		(703)	(730)
Employee benefits expenses	3	(4,231)	(5,480)
Occupancy costs	3	(385)	(524)
Marketing expenses		(226)	(278)
Depreciation and amortisation expense	3	(140)	(482)
Share-based payments		-	55
Other expenses	3	(438)	(667)
Research and development tax benefit	9(i)	159	1,531
Profit before income tax expense		418	1,003
Income tax expense	4	(195)	(881)
Profit for the half-year		223	122
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		223	122
Profit attributable to the owners of Corum Group Limited		-	-
Comprehensive income attributable to the owners of Corum Group Limited		223	122
Earnings per share attributable to members of the Company	5	Cents	cents
Basic earnings per share		0.09	0.05
Diluted earnings per share		0.09	0.05

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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**Consolidated Statement of Financial Position
as at 31 December 2017**

	Note	31 December 2017 \$'000	30 June 2017 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		5,332	8,098
Trade and other receivables	8	931	393
Inventories		114	149
Income tax receivable	4	2,207	1,416
Other current assets	10	3,043	2,359
Total Current Assets		11,627	12,415
NON-CURRENT ASSETS			
Other Financial assets		30	30
Property, plant and equipment		973	981
Intangibles	9	6,333	5,381
Deferred tax assets		468	563
Other non-current assets	10	-	387
Total Non-Current Assets		7,804	7,342
Total Assets		19,431	19,757
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		3,600	4,280
Deferred revenue		291	202
Provisions		1,048	1,072
Total Current Liabilities		4,939	5,554
NON-CURRENT LIABILITIES			
Provisions		293	227
Total Non-Current Liabilities		293	227
Total Liabilities		5,232	5,781
Net Assets		14,199	13,976
EQUITY			
Issued capital	11	86,283	86,283
Accumulated losses		(72,084)	(72,307)
Total Equity		14,199	13,976

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2017**

	Ordinary Share Capital \$'000	Share- based Payments Reserves \$'000	Accum- ulated Losses \$'000	Total \$'000
Balance at 1 July 2017	86,283	-	(72,307)	13,976
Profit after income tax	-	-	223	223
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income for the half year	-	-	223	223
Balance at 31 December 2017	86,283	-	(72,084)	14,199
Balance at 1 July 2016	86,283	90	(66,465)	19,908
Profit after income tax	-	-	122	122
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income for the half year	-	-	122	122
Share-based payments	-	(55)	-	(55)
Performance rights exercised	-	(35)	35	-
Balance at 31 December 2016	86,283	-	(66,308)	19,975

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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**Consolidated Statement of Cash Flows
for the half-year ended 31 December 2017**

	2017	2016
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,457	7,875
Payments to suppliers and employees	(7,512)	(8,751)
Interest received	94	112
Other revenue	10	432
Income tax paid	-	(94)
Net cash used in operating activities (i)	(951)	(426)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(176)	(399)
Capitalised development costs	(1,639)	-
Net cash used in investing activities	(1,815)	(399)
Net decrease in cash and cash equivalents	(2,766)	(825)
Cash and cash equivalents at beginning of the period	8,098	9,577
Cash and cash equivalents at end of the period	5,332	8,752

- (i) A tax refund of \$1,418,000 in relation to the 2017 financial year was received subsequent to the reporting date on 17 January 2018.

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2017

This financial report includes the consolidated financial statements and notes of Corum Group Limited and controlled entities ('Consolidated Entity'). Corum Group Limited is a listed public company, incorporated and domiciled in Australia.

The presentational currency is Australian dollars.

Note 1: Basis of preparation

a) Basis of preparation

The half-year consolidated financial statement has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that the half-year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2017 and any public announcements made by Corum Group Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial statements have been prepared using the same accounting policies consistently applied by the entities in the Consolidated Entity as used in the annual financial statements for the year ended 30 June 2017.

The half-year financial report does not include full disclosure of the type normally included in an annual financial report.

b) Reporting basis and conventions

The financial statements have been prepared on an accruals basis and are based on historical costs; modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

c) Going concern basis

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

d) New, revised or amending Accounting Standards and Interpretations adopted

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 effective have not been adopted.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Consolidated Entity for the current reporting period.

**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2017**

	2017	2016
	\$'000	\$'000
Note 2: Revenue and other income		
Sales revenue		
Rendering of services	5,259	6,465
Sales of goods	569	569
	<u>5,828</u>	<u>7,034</u>
Other revenue		
Interest received from other parties	94	112
Revenue from unlisted entity	450	430
Other revenue	10	2
	<u>554</u>	<u>544</u>
Total revenue	<u>6,382</u>	<u>7,578</u>
Note 3: Expenses		
Employee benefits expenses	5,624	5,480
Less: Capitalised development costs	(1,393)	-
	<u>4,231</u>	<u>5,480</u>
Occupancy costs	500	524
Less: Capitalised development costs	(115)	-
	<u>385</u>	<u>524</u>
Depreciation and amortisation expense	185	482
Less: Capitalised development costs	(45)	-
	<u>140</u>	<u>482</u>
Other expenses	569	667
Less: Capitalised development costs	(131)	-
	<u>438</u>	<u>667</u>

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**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2017**

Note 4: Taxation

	2017	2016
	\$'000	\$'000
The major components of income tax expense are:		
Current period income tax charge	100	308
Adjustment for current income tax of previous year	-	514
Relating to utilisation and reversal of temporary differences	95	59
	<hr/>	<hr/>
Income tax expense	195	881
	<hr/>	<hr/>
	31 December	30 June
	2017	2017
	\$'000	\$'000
Income tax receivable	<hr/>	<hr/>
Opening Balance	1,416	1,073
Current tax expense	(100)	(718)
Prior year tax adjustment	-	33
Research and development tax offset	891	1,028
	<hr/>	<hr/>
Closing balance	2,207	1,416
	<hr/>	<hr/>

The Consolidated Entity has tax losses for which no deferred tax asset is recognised in the Statement of Financial Position.

Corum generated operating losses during the period from 1 July 1997 to 30 June 2009 which resulted in the creation of substantial carried forward tax losses. These tax losses can be used as an offset against taxable income in accordance with the consolidated tax group rules.

The potential future tax benefits arising from tax losses and temporary differences have been recognised as deferred tax assets only to the extent that:

- the Consolidated Entity is likely to derive future assessable income of a nature and of an amount sufficient to enable the benefits to be realised; and
- no changes or proposed changes in legislation are likely to adversely affect the Consolidated Entity's ability to realise these benefits; and
- the Consolidated Entity is likely to continue to comply with conditions for deductibility of losses imposed by tax legislation.

The Directors have determined it appropriate that a deferred tax asset be recognised for the proportion of carried forward tax losses where it is probable circumstances exist such that a benefit may be realised within the next twelve months.

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**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2017**

Note 5: Earnings per share (EPS)

Earnings Per Share	2017	2016
	\$'000	\$'000
<i>Reconciliation of earnings to profit:</i>		
Profit attributable to members of the Company	223	122
Earnings used in the calculation of basic and diluted EPS	223	122
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	256,167,592	255,942,182
Weighted average number of dilutive performance rights outstanding during the period	-	225,410
Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS	256,167,592	256,167,592

Note 6: Segment reporting

The Group has identified its operating segments based on the internal reports and information regularly reviewed and used by the Directors ("chief operating decision makers") in assessing the performance and determining the allocation of resources within the Group. Consideration is given to the nature and distinctiveness of the products or services sold, the manner in which they are provided, and the organisational structure.

The Group has determined the following business segments:

- Health Services - the Corum Health Services business is a provider of dispense and point of sale software applications, hardware and support services to Australian pharmacies through its controlled entities, Pharmasol Pty Limited, Amfac Pty Limited and Corum Systems Pty Limited.
- eCommerce - offers individuals and businesses the opportunity to effect payment of their rent, utilities, local government fees and commercial obligations via electronic methodologies through its controlled entity Corum eCommerce Pty Limited.

The Consolidated Entity operates predominantly in Australia.

Corporate charges are allocated to reporting segments based on the segment's overall proportion or revenue generated by the Group, or estimates of time applied by individuals to each segment, which is representative of the likely consumption of head office expenditure.

For the purpose of segment reporting and the understanding of segment performance the net benefit of research and development tax incentives are disclosed in the segment to which they relate.

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**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2017**

Note 6: Segment reporting continued

Segment performance	Health Services \$'000	eCommerce \$'000	Intersegment eliminations /unallocated \$'000	Consolidated \$'000
2017				
Revenue				
External sales	4,597	1,231	-	5,828
Other revenue	450	-	10	460
Interest revenue	-	11	83	94
Total revenue	5,047	1,242	93	6,382
Segment net profit before tax	1,323	89	(994)	418
Depreciation and impairment of segment assets	50	-	90	140
Other non-cash segment expenses - increase / (decrease) in provisions	32	1	(35)	(2)
2016				
Revenue				
External sales	5,604	1,430	-	7,034
Other revenue	430	-	2	432
Interest revenue	-	12	100	112
Total revenue	6,034	1,442	102	7,578
Segment net profit before tax	743	207	53	1,003
Depreciation and impairment of segment assets	170	-	312	482
Other non-cash segment expenses - increase / (decrease) in provisions	24	8	(151)	(119)

Note 7: Dividends paid and proposed

There was no final dividend declared and paid during the half-year (2016: Nil), and there was no interim dividend proposed (2017: Nil).

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**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2017**

	31 December 2017 \$'000	30 June 2017 \$'000
Note 8: Current assets - Trade and other receivables		
Trade receivables	476	392
Less: Provision for impairment of receivables	(60)	(60)
	<u>416</u>	<u>332</u>
Other receivables (i)	515	61
	<u>931</u>	<u>393</u>

(i) Other receivables include \$450,000 of revenue from an unlisted entity which is yet to be received.

Note 9: Non-current assets - Intangibles

Goodwill – at cost	15,363	15,363
Less: Accumulated Impairment	(10,819)	(10,819)
	<u>4,544</u>	<u>4,544</u>
Software product development – at cost	3,094	1,410
Less: Research and development tax benefit	(1,305)	(573)
	<u>1,789</u>	<u>837</u>
Total Intangibles	<u>6,333</u>	<u>5,381</u>

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**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2017**

Note 9: Non-current assets - Intangibles continued

Reconciliations

Reconciliations of the values at the beginning and end of the current and previous half year end are set out below:

Consolidated	Goodwill \$'000	Software product development \$'000	Total \$'000
Balance at 30 June 2016	10,821	-	10,821
Balance at 31 December 2016	10,821	-	10,821
Balance at 30 June 2017	4,544	837	5,381
Additions (i)	-	1,684	1,684
Research and development tax benefit	-	(732)	(732)
Balance at 31 December 2017	4,544	1,789	6,333

- (i) Research and development tax benefits are offset against related software development costs when they are capitalised. The research and development tax benefit in the Consolidated Statement of Profit or Loss and Other Comprehensive Income is reduced accordingly.

Note 10: Other non-current assets

Deposits totalling \$387,000 that were classified as non-current assets as at 30 June 2017 have been reclassified as current assets within Other current assets as they are receivable within twelve months.

**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2017**

Note 11: Issued capital

	31 December 2017 \$'000	30 June 2017 \$'000
Issued capital		
256,167,592 fully paid ordinary shares (30 June 2017: 256,167,592)	86,283	86,283
Movement in ordinary share capital	\$'000	Number
Balance at 1 July 2017	86,283	256,167,592
Balance at 31 December 2017	86,283	256,167,592
Balance at 1 July 2016	86,283	255,917,592
Performance rights exercised	-	250,000
Balance at 30 June 2017	86,283	256,167,592

Note 12: Commitments

	31 December 2017 \$'000	30 June 2017 \$'000
Non-cancellable operating lease expense commitments payable		
Not later than 1 year	884	933
Later than 1 year but not later than 5 years	71	488
Minimum lease payments	955	1,421

The Consolidated Entity leases property under operating lease agreements.

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**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2017**

Note 13: Events subsequent to reporting date

On the 17 January 2018 the company received an income tax refund of \$1,418,000 relating to the 2017 financial year.

Other than disclosed above there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial periods.

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Directors' Declaration

In the opinion of the Directors of Corum Group Limited:

- (a) The financial statements and notes, set out on pages 6 to 18 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 December 2017 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (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.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Board



Bill Paterson
Chairman



Matthew Bottrell
Director

Dated: 28 February 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Corum Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Corum Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards

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and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

BDO


John Bresolin
Partner

Sydney, 28 February 2018

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