

Appendix 4D – Interim Financial

Report for Half Year Ended

31 December 2017



Name of Entity: **TAMAWOOD LIMITED**
 ABN: **56 010 954 499**
 Current period: **1 July 2017 to 31 December 2017**
 Previous corresponding period: **1 July 2016 to 31 December 2016**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

				\$'000
Revenue from ordinary activities	up	3.90%	to	64,332
Profit after tax from continuing activities attributable to members	down	6.41%	to	4,213
Net Profit attributable to members	down	6.41%	to	4,213

Dividends Paid and Proposed

	Amount per security	Franking at 30% tax rate	Franked Amount per security
Final dividend (paid 1 December 2017)	16 cents	100%	16 cents
Interim dividend (payable 1 June 2018)	11 cents	100%	11 cents

Record date for determining entitlements to the interim dividend

14 May 2018

Explanation of Key Information and Dividends

An explanation of these figures is contained in the 'Review of Operations' included within the attached directors' report.

NET TANGIBLE ASSETS PER SHARE

	Half-year Ended 31 December 2017	Half-year Ended 31 December 2016
Net tangible assets per share	48.22 cents	43.00 cents

EARNINGS PER SHARE

Basic earnings per share	16.48 cents	17.61 cents
Weighted average number of shares	25,575,559	25,564,368

DIVIDEND DETAILS

	Half-year Ended 31 December 2017	Half-year Ended 31 December 2016
	\$'000	\$'000
Final dividend (paid 1 December 2017)	4,093	3,834

Dividend reinvestment plan

The dividend reinvestment plan has been suspended until further notice.

CONTROL GAINED OR LOST OVER ENTITIES IN THE HALF YEAR

Subsidiaries

No changes to control over subsidiaries during the half year.

Associates and joint venture entities

No changes to associates or joint ventures during the half year.

Tamawood Group

ABN 56 010 954 499

Interim Financial Statements

For the Half Year Ended 31 December 2017

ABN 56 010 954 499

ASX Code: TWD

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Directors' Report

For the Half Year Ended 31 December 2017

Your Directors present their report on Tamawood Limited ("Tamawood") and its controlled entities ("the Group") for the half year ended 31 December 2017.

1. General information

Directors

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

Names	Position
R Lynch	Non-executive Chairman
L Mizikovsky	Non-executive Director
R Dudurovic	Non-executive Director
A Thomas	Non-executive Director
T Bartholomaeus	Managing Director

Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

During the half year the principal continuing activities of the Group consisted of:

- home design, project management services and associated activities including home contract construction activities in selected markets;
- franchising and licensing operations in regional Queensland, New South Wales, and Victoria;
- generating and trading of renewable energy certificates associated with solar products.

There were no significant changes in the nature of the Group's principal activities during the half year.

2. Operating results and review of operations for the year

The Result

Tamawood recorded a net profit after tax of \$4,213,000 for the half year ended December 2017 (December 2016: \$4,569,000 down 7.79%). The slight decrease in net profit after tax is primarily due to:

- 16 days of continuous inclement weather in November 2017.
- Increase in costs of compliance with the new regulatory regime of the QBCC with increased direct legal costs and compliance costs. These costs are now incorporated in our pricing policy.

As previously announced the Board has declared a fully franked interim dividend of 11 cents (2017:11cents) payable 1 June 2018.

Update on 23% Investment in Senterprisys

The majority of the new modules of the enterprise software system have been completed and thorough testing by Tamawood is currently being performed. We expect the final system to be ready in this half. We anticipate that this new system will enable us to expand our franchise network over the next 12 – 18 months. The system has now been modified to provide means of complying with Non-Conforming Building Product Legislation introduced in October 2017.

Directors' Report

For the Half Year Ended 31 December 2017

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the half year.

Events after the reporting date

No matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

ASIC Corporations Instrument 2016/191 rounding of amounts

The Group has applied the relief available to it in ASIC Corporations Instrument 2016/191 and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2017 has been received and can be found on page 3 of the financial report.

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



Robert Lynch
Non-executive Chairman

Dated 27 February 2018

Auditors Independence Declaration

The Directors
Tamawood Limited
1821 Ipswich Road
ROCKLEA QLD 4106

Auditor's Independence Declaration

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

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

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

William Buck

William Buck (Qld)
ABN 21 559 713 106

J A Latif

J A Latif
A member of the firm

Brisbane 27 February 2018

**CHARTERED ACCOUNTANTS
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Tamawood Group

Interim Financial Statements 31 December 2017

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2017

		31 December 2017	31 December 2016
	Note	\$'000s	\$'000s
Revenue	2	64,332	61,915
Labour, raw materials and consumables used		(51,479)	(49,168)
Employee benefits expense		(4,097)	(3,469)
Depreciation expense		(108)	(121)
Advertising		(402)	(478)
Consultancy		(399)	(455)
Other operating expenses		(1,822)	(1,681)
Profit before income tax		6,025	6,543
Income tax expense		(1,812)	(1,974)
Profit for the half year		4,213	4,569
Other comprehensive income for the half year		-	-
Total comprehensive income for the half year		4,213	4,569
Profit/(loss) attributable to:			
Members of the parent entity		4,213	4,502
Non-controlling interest		-	67
		4,213	4,569
Total comprehensive income attributable to:			
Members of the parent entity		4,213	4,502
Non-controlling interest		-	67
		4,213	4,569
Earnings per share			
Basic earnings per share (cents)		16.48	17.61
Diluted earnings per share (cents)		16.48	17.61

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As At 31 December 2017

	31 December 2017 \$'000s	30 June 2017 \$'000s
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,893	3,189
Trade and other receivables	4,731	7,228
Inventories	14,824	15,181
Prepayments	784	284
TOTAL CURRENT ASSETS	24,232	25,882
NON-CURRENT ASSETS		
Investments in associates	255	255
Property, plant and equipment	728	669
Deferred tax assets	399	403
TOTAL NON-CURRENT ASSETS	1,382	1,327
TOTAL ASSETS	25,614	27,209
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	7,848	9,043
Provisions	531	499
Current tax liabilities	556	917
TOTAL CURRENT LIABILITIES	8,935	10,459
NON-CURRENT LIABILITIES		
Provisions	389	366
Deferred tax liabilities	3,891	4,105
TOTAL NON-CURRENT LIABILITIES	4,280	4,471
TOTAL LIABILITIES	13,215	14,930
NET ASSETS	12,399	12,279
EQUITY		
Issued capital	434	434
Reserves	-	(479)
Retained earnings	11,825	12,184
Total equity attributable to equity holders of Tamawood Limited	12,259	12,139
Non-controlling interest	140	140
TOTAL EQUITY	12,399	12,279

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

31 December 2017

Note	Ordinary Shares \$'000s	Retained Earnings \$'000s	General Reserves \$'000s	Total \$'000s	Non-controlling Interests \$'000s	Total \$'000s
Balance at 1 July 2017	434	12,184	(479)	12,139	140	12,279
Comprehensive income for the half year						
Profit/(loss) for the half year	-	4,213	-	4,213	-	4,213
Other comprehensive income for the half year	-	-	-	-	-	-
Total comprehensive income for the half year	-	4,213	-	4,213	-	4,213
Transactions with owners in their capacity as owners						
Transfers from retained earnings to general reserve	-	(479)	479	-	-	-
Dividends paid or provided for	4	(4,093)	-	(4,093)	-	(4,093)
Balance at 31 December 2017	434	11,825	-	12,259	140	12,399

31 December 2016

Note	Ordinary Shares \$'000s	Retained Earnings \$'000s	General Reserves \$'000s	Total \$'000s	Non-controlling Interests \$'000s	Total \$'000s
Balance at 1 July 2016	407	9,764	(5)	10,166	471	10,637
Comprehensive income for the half year						
Profit/(loss) for the half year	-	4,502	-	4,502	67	4,569
Other comprehensive income for the half year	-	-	-	-	-	-
Total comprehensive income for the half year	-	4,502	-	4,502	67	4,569
Transactions with owners in their capacity as owners						
Dividends paid or provided for	4	(3,834)	-	(3,834)	-	(3,834)
Share issued during the half year		27	-	27	-	27
Balance at 31 December 2016	434	10,432	(5)	10,861	538	11,399

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

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2017

	31 December 2017 \$'000s	31 December 2016 \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers (including GST)	67,231	69,957
Payments to suppliers and employees (including GST)	(60,165)	(61,641)
Interest received	61	53
Income tax paid	(2,383)	(1,889)
Net cash provided by operating activities	<u>4,744</u>	<u>6,480</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	68
Purchase of property, plant and equipment	(167)	(204)
Loans to related parties	220	-
Net cash (used by) / provided by investing activities	<u>53</u>	<u>(136)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid by the parent entity	(4,093)	(3,834)
Net cash used by financing activities	<u>(4,093)</u>	<u>(3,834)</u>
Net increase / (decrease) in cash and cash equivalents held	704	2,510
Cash and cash equivalents at beginning of the period	3,189	2,580
Cash and cash equivalents at end of the half year	<u><u>3,893</u></u>	<u><u>5,090</u></u>

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

Notes to the Financial Statements

For the Half Year Ended 31 December 2017

1 Summary of Significant Accounting Policies

1.1 Basis of Preparation

This condensed interim financial report for the half year reporting period ended 31 December 2017 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Tamawood Limited and controlled entities ("the Group"). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the half year.

Rounding of amounts

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

Accounting Policies

Except as described below in Note 1.2, the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

1.2 Adoption of new and revised accounting standards

The Group has not adopted any new and revised standards and interpretations issued by the Australian Accounting Standard Board (AASB) as they are not relevant to their operations.

1.3 New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value.	This standard is not expected to significantly affect the entity.

Notes to the Financial Statements

For the Half Year Ended 31 December 2017

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	30 June 2019	This standard provides guidance on the recognition of revenue from customers.	Based on the nature of the entity's revenue and a review of our standard terms and conditions, this standard is not expected to significantly affect the entity.
AASB 16 Leases	30 June 2020	Significant revisions to accounting for operational leases on balance sheet by Lessees of property and high value equipment. However, exemptions for short-term leases and leases of low value assets will reduce the impact.	The entity will be required to recognise a right-of-use asset and lease liability for its operating leases of premises.
AASB 2014-10 Amendments to Accounting Standards - Sale or Contribution of Assets between an investor and its Associate or Joint Venture	30 June 2019	The amendment addresses an inconsistency between the requirements in AASB 128 Investment in Associates and Joint Ventures and AASB 10 Consolidated Financial Statements and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the asset sold or contributed constitutes a business.	This will only have impact to the entity if there has been a sale or contribution of assets between the entity and its associate or joint venture.
Interpretation 23 Uncertainty over Income Tax Treatments and AASB 2017-4 Amendments to Australian Accounting Standards - Uncertainty over Income Tax Treatments	30 June 2020	Interpretation 23 clarifies how to apply the recognition and measurement requirements in AASB 112 where there is uncertainty over the appropriate income tax treatment of a transaction or class of transactions, and about whether a tax treatment will be accepted by a tax authority.	The basis for recognising tax liabilities and associated disclosures may change based on the assessment of the likelihood that the proposed tax treatment in the entity's tax return would be accepted by the tax authorities.

Notes to the Financial Statements

For the Half Year Ended 31 December 2017

2 Revenue and Other Income

	31 December 2017 \$'000s	31 December 2016 \$'000s
Revenue		
Construction revenue		
- Construction contract revenue	62,718	60,342
Sale of goods		
- Renewable energy certificates	993	984
Rendering of services		
- Franchise revenue	409	467
Interest	61	53
Other items	151	69
Other Income		
Total Revenue	64,332	61,915

3 Operating Segments

Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing the performance and determining the allocation of resources. Segment revenues, expenses and results include transfers between segments but exclude intra group management fees.

Description of segments

The Group's segments include the following:

(i) *Construction QLD*

Home design, project management services and associated activities including home contract construction activities in selected Queensland markets.

(ii) *Construction NSW*

Home design, project management services and associated activities including home contract construction activities in New South Wales.

(iii) *Franchising*

Franchising and licensing operations in regional Queensland, New South Wales and New Zealand.

(iv) *Renewable Energy*

Generating and trading of renewable energy certificates associated with solar products.

Notes to the Financial Statements

For the Half Year Ended 31 December 2017

3 Operating Segments

3.1 Segment performance

	Construction QLD		Construction NSW		Franchises		Renewable Energy		Total	
	31 December 2017 \$'000s	31 December 2016 \$'000s	31 December 2017 \$'000s	31 December 2016 \$'000s	31 December 2017 \$'000s	31 December 2016 \$'000s	31 December 2017 \$'000s	31 December 2016 \$'000s	31 December 2017 \$'000s	31 December 2016 \$'000s
REVENUE										
Revenue from external customers	57,054	52,596	5,780	7,746	418	467	993	984	64,245	61,793
Inter-segment revenue	-	454	-	-	1,444	1,292	847	-	2,291	1,746
Interest revenue	25	23	3	4	1	1	1	1	30	29
Total segment revenue	57,079	53,073	5,783	7,750	1,863	1,760	1,841	985	66,566	63,568
Net profit/(loss) before tax	5,138	5,668	209	405	1,041	947	13	(20)	6,401	7,000

	2017 \$'000s	2016 \$'000s
Construction NSW - profit/(loss) before tax attributable to:		
- Members of the parent entity	209	304
- Non-controlling interests	-	101
Renewable Energy - profit/(loss) before tax attributable to:		
- Members of the parent entity	13	(14)
- Non-controlling interests	-	(6)

Notes to the Financial Statements

For the Half Year Ended 31 December 2017

3 Operating Segments

3.2 Reconciliation

Reconciliation of segment net profit before tax to the consolidated statement of profit or loss and other comprehensive income

	31 December 2017 \$'000s \$	31 December 2016 \$'000s \$
Segment net operating profit before income tax	6,401	7,000
Unallocated amounts not included in segment results	(376)	(457)
Total net profit before tax	6,025	6,543

4 Dividends

(a) Dividends - Interim

The following dividends were declared and paid:

Final dividend of 16 cents (fully franked at 30%) per fully paid share paid on 1 December 2017

Final dividend of 15 cents (fully franked at 30%) per fully paid share paid on 1 December 2016

Total

	31 December 2017 \$'000s	31 December 2016 \$'000s
	4,093	-
	-	3,834
Total	4,093	3,834

5 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2017 (31 December 2016: None).

6 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements

For the Half Year Ended 31 December 2017

7 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Amounts receivable from related parties for the sale and purchase of goods and services are unsecured and interest free and are included in the balances of trade and other receivables. Balances are settled within normal trading terms or as per agreement with the Board. No provisions for doubtful debts have been recognised on these outstanding balances, nor have any bad debt expenses been incurred.

7.1 The Group's main related parties are as follows:

(i) Key management personnel ("KMP"):

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

AstiVita Limited (formerly AstiVita Renewables Limited) ("AstiVita") and Advance NanoTek Ltd (ANTL)(formerly Advanced Nano Technologies Ltd) are deemed to be related parties of Tamawood Limited by virtue of Mr L Mizikovsky, Non-executive Director of Tamawood Limited, having a controlling interest in both the Companies. Transactions between the Group and the above related parties are disclosed below.

Transactions with Associates, KMP and their related parties, excluding remuneration, are shown below. Amounts disclosed below are rounded to the nearest dollar.

7.2 Transactions with related parties

(i) Sale of goods and services

	31 December 2017 \$	31 December 2016 \$
<i>Key management personnel:</i>		
Mr L Mizikovsky - Non-executive Director		
- Sales to an entity controlled by Mr L Mizikovsky - construction	10,551	10,498
- Sales to an entity controlled by Mr L Mizikovsky - insurance fees	11,950	11,850
Mr G Acton - Joint Company Secretary		
- Rent on sub-leased property	3,325	3,307
- Miscellaneous services	-	617
Mr A Thomas - Non-executive Director		
- Franchise fees to Dixon Systems Pty Ltd	140,168	113,037
- Insurance fees charged by Tamawood Ltd	3,900	6,600
- Advertising	1,727	-
Mrs P Bartholomaeus		
- Construction contract on normal commercial terms	481,981	-
- Insurance fees charged by Tamawood Ltd	650	-

Notes to the Financial Statements

For the Half Year Ended 31 December 2017

7 Related Parties

7.2 Transactions with related parties

	31 December 2017 \$	31 December 2016 \$
<i>Related Parties:</i>		
AstiVita Limited		
- Sales to AstiVita for IT and administration services	13,003	15,837
Advance NanoTek Limited (ANO)		
- Sales to ANO for IT and administration services	202	7,673
- Sales to ANO for office supplies & consultancy	7,174	-
<i>Associates:</i>		
Senterprisys Limited		
- Rent on sub-leased property	18,792	18,694
- Insurance fees and other services provided by the Group	5,192	3,905

Notes to the Financial Statements

For the Half Year Ended 31 December 2017

7 Related Parties

7.2 Transactions with related parties

(ii) Purchase of goods and services

	31 December 2017 \$	31 December 2016 \$
<i>Key management personnel:</i>		
Mr L Mizikovsky - Non-executive Director		
- Rental payments for premises to an entity controlled by Mr L Mizikovsky	215,823	204,813
Mr G Acton - Joint Company Secretary		
- Provision of Consulting, Secretarial & Payroll Services to subsidiaries within the Group	92,282	75,068
Mr P Hogan - Managing Director, Dixon NSW Limited		
- Provision of management services to Dixon NSW Pty Ltd	-	52,500
- Remuneration	-	77,125
Mr A Thomas - Non-executive Director		
- Purchase of renewable energy certificates from an entity controlled by Mr A Thomas	8,550	22,496
Mrs P Bartholomaeus - Senior Designer, Dixon Systems		
- Remuneration	41,536	29,064
<i>Related parties:</i>		
AstiVita Limited		
- Purchase of materials including bathroom, kitchen and solar products	866,837	688,471
- Purchase of vehicle	-	13,636

Notes to the Financial Statements

For the Half Year Ended 31 December 2017

7 Related Parties

7.2 Transactions with related parties

31 December 2017	31 December 2016
\$	\$

Associates:

Senterprisys Limited (Formerly Resiweb Ltd.)

- Complete Support Services provided to the Group	354,572	192,000
- Miscellaneous services	-	3,540

(iii) Outstanding balances

31 December 2017	31 December 2016
\$	\$

Key management personnel:

Mr A Thomas - Non-executive Director

- Amounts receivable by Dixon Systems Pty Ltd for franchise fees	65,782	61,598
- Amounts payable by SolarPowerRex Pty Ltd	-	9,280

Related parties:

AstiVita Limited

- Amounts receivable for IT Services	1,200	4,590
- Amounts payable for purchases	423	109,143

Advanced NanoTek Limited

- Amounts receivable	-	1,116
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Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Robert Lynch
Non-executive Chairman

Dated 27 February 2018

Independent Auditor's Review Report to the members of Tamawood Limited

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Tamawood Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity) on pages 4 to 17, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant 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 Tamawood Limited on pages 4 to 17 is not in accordance with the Corporations Act 2001 including:

- a) 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
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Responsibilities of the Directors' 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

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 financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its 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 Tamawood Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Tamawood Group

Interim Financial Statements 31 December 2017

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& ADVISORS

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Independent Auditor's Review Report to the members of Tamawood Limited

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 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 Tamawood Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

William Buck

William Buck (Qld)
ABN: 21 559 713 106

J A Latif

J A Latif
Brisbane 27 February 2018

**CHARTERED ACCOUNTANTS
& ADVISORS**

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