Sequoia Financial Group Ltd
ACN: 091 744 884
ASX: SEQ

ASX RELEASE

28 February 2018

2018 HALF YEAR RESULTS & APPENDIX 4D

Sequoia Financial Group Limited (ASX: SEQ) today announces its results for the half year ended 31 December 2017 (**1HFY18**) reporting net profit after tax of $635,627 (Dec 2016: $481,360) an increase of 32.5% on prior comparable period.

Key highlights for 1HFY18 are:

- Recorded positive operating cash flow of $7.34m;
- Revenue of $20.58m up 26.6% on the prior comparable period;
- Cash balance of $12.85m at 31/12/2017;
- Completed Acquisition of InterPrac Ltd 01/12/2017;
- Completed Acquisition of Morrison Securities Pty Ltd 18/09/2017;
- Migrated the business under 4 core operating divisions;
- Completed the migration rollout of Bourse software;
- Increased ownership of Financial News Network Pty Ltd (announced but not completed during the period);
- Increase in Sequoia Wealth Group adviser numbers by 15%;
- InterPrac Financial Planning named IFA dealer group of the year; and
- Appointment of John Larsen as Non-Executive Director in February 2018.

Managing Director Scott Beeton said, *"After 3 years into the role it is pleasing to see the cashflow and profit beginning to turn around and to deliver our long-term shareholders some reward for their patience. We see the last 12 months as a formation of a solid base for further growth in revenues, profits and shareholder returns."*

<ends>

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For further information please contact:

Scott Beeton, Managing Director & CEO +61 2 8114 2222
Tharun Kuppanda, Company Secretary +61 2 8016 2875

ABOUT SEQUOIA FINANCIAL GROUP LIMITED

ASX-listed Sequoia Financial Group Limited (ASX: SEQ) is an integrated financial services company providing products and services to self-directed retail and wholesale clients and those of third party professional service firms.

It provides:

- Investment and superannuation products
- Wealth management and advisory services
- Corporate advisory and capital markets expertise
- Retail, wholesale and institutional trading platforms
- Market data and financial news services

Sequoia operates various AFS Licenses and Its subsidiaries D2MX Pty Ltd and Morrison Securities Pty Ltd are ASX Market Participants.

Sequoia Financial Group Limited
Appendix 4D
Half-year report

1. COMPANY DETAILS

Name of entity:	Sequoia Financial Group Limited
ABN:	90 091 744 884
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

			$
Revenues from ordinary activities	up	26.6% to	20,576,876
Profit from ordinary activities after tax attributable to the owners of Sequoia Financial Group Limited	up	32.5% to	628,324
Profit for the half-year attributable to the owners of Sequoia Financial Group Limited	up	32.5% to	628,324

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The profit for the Group after providing for income tax and non-controlling interest amounted to $628,324 (31 December 2016: $474,073).

3. NET TANGIBLE ASSETS

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	6.02	2.04

4. CONTROL GAINED OVER ENTITIES

Name of entities (or group of entities)	Morrison Securities Pty Ltd and Interprac Pty Ltd
Date control gained	18 September 2017 and 1 December 2017

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	233,959
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	310,364

5. LOSS OF CONTROL OVER ENTITIES

Not applicable.

6. DIVIDENDS

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. DIVIDEND REINVESTMENT PLANS

Not applicable.

8. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable.

9. FOREIGN ENTITIES

Details of origin of accounting standards used in compiling the report:
Not applicable.

10. AUDIT QUALIFICATION OR REVIEW

Details of audit/review dispute or qualification (if any):
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. ATTACHMENTS

Details of attachments (if any):
The Interim Report of Sequoia Financial Group Limited for the half-year ended 31 December 2017 is attached.

12. SIGNED

Signed Michael Carter ______________________________ Date: 27 February 2018

Michael Carter
Chairman
Sydney

Sequoia Financial Group Limited

ABN 90 091 744 884

Interim Report

31 DECEMBER 2017

sequoia
FINANCIAL GROUP

27 February 2018

CHAIRMAN'S LETTER TO SHAREHOLDERS

Your board and management are pleased to report the half yearly financial result for the period ending 31 December 2017.

During the period we achieved two strategic acquisitions, being Morrison Securities Pty Ltd and InterPrac Limited in September 2017 and December 2017 respectively. As a result of the integration of these entities, we are pleased to announce a restructure of Sequoia Financial Group Ltd into four key business divisions:

Sequoia Wealth Group;
Sequoia Direct Investment Group;
Sequoia Professional Services Group; and
Sequoia Equity Markets Group.

All divisions enjoyed revenue growth and were profitable as stand alone business units during the period.

Group revenue has continued its growth trajectory with the half yearly result of $20,576,876 representing an increase of 26.6% over the corresponding period in 2016. This result includes reporting for the Morrison and Interprac Limited businesses since acquisition.

The Company achieved a net profit after tax result of $628,324 for the period, being an increase of 32.5% on the corresponding period in 2016. This result is pleasing as it is inclusive of inter alia, one off costs associated with the two acquisitions of approximately $275,835 and other additional costs associated with moving premises and employee entitlements.

Of particular note is the significant increase in cash of $6,677,248 to $12,854,666 at 31 December 2017, occurring due to an increase in operating cash flow of $7,344,878, an investing cash outflow of $6,239,225 and cash flows in from financing activities of $5,571,595 across the half year.

In addition to cash, the Company has $2,220,771 in bonds and bank guarantees and a further $3,589,009 in investments held in listed and unlisted securities.

We note current reporting standards require sales revenues within the Sequoia Equity Markets Group to be deferred over the life of the investment rather than the date of sale and revenue receipt. We anticipate an increased net profit result in future periods as a result arising from specialist investment business.

As at 31 December 2017 the deferred revenue less deferred cost increased to $5,701,571, which is an increase of $2,324,562 in the period. This amount is expected to be higher as we have accounted for the liability and anticipate potential performance fees will be recognised in future periods.

At 31 December 2017 the potential performance fees were approximately 2.5% of the underlying investment account balance of $42,900,171.

Operationally, divisional achievements in the period include:

- A greater than 15% growth in adviser numbers within Sequoia Wealth Group and InterPrac Financial Planning Pty Ltd being voted dealer group of the year by IFA; and
- Sequoia Direct Investment Group completed the migration of our Bourse software clients to our new Bourse Analyser platform in February 2018.

Moving forward we expect to generate over $600,000 in cost reductions and flag further synergies within our Sequoia Equity Markets Group division as a result of our acquisition of Morrison Securities Pty Ltd.

We anticipate on the basis of the above, that in the second half of 2018 revenues will further increase to at least $27 million and delivery of profit margin expansion as revenue scale offsets fixed overheads associated with running the listed Company.

Lastly but certainly not least, in a market that often wants results yesterday, I would like to thank our shareholders and staff for their patience in allowing us the time to build and strengthen the foundations (not unlike the Sequoia tree) of a great business.

Michael Carter
Chairman

CONTENTS

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Sequoia Financial Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

DIRECTORS

The following persons were directors of Sequoia Financial Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Scott Lionel Beeton	Managing Director
Michael Kenneth Carter	Non-Executive Chairman
Garry Peter Crole	Non-Executive Director to 1 December 2017 Executive Director from 1 December 2017
John Larsen (appointed 2 February 2018)	Non-Executive Director
Marcel John Collignon (resigned 17 October 2017)	Former Executive Director

PRINCIPAL ACTIVITIES

The Group's principal activities offer diversified financial products, including but not limited to investment and superannuation products, wealth management services and retail, wholesale and institutional trading platforms.

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial half-year.

REVIEW OF OPERATIONS

The profit for the Group after providing for income tax and non-controlling interest amounted to $628,324 (31 December 2016: $474,073).

The six months ended 31 December has been a period of growth with the acquisition of Interprac Ltd and Morrison Securities Pty Ltd. The acquisitions have added complementary business units to Sequoia's diversified financial services offering. We would like to draw attention to operating cash flow (31 December 2017: $7,344,878: 31 December 2016 $1,169,518), which highlights the deferred cost and deferred revenue accounting treatment on the balance sheet.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 27 July 2017, Marika White resigned as Company Secretary. Tharun Kuppanda is now the Company Secretary.

On 18 August 2017, Computershare Investor Services Pty Limited ceased as the Company's registry provider and Registry Direct was appointed service provider and commenced on 21 August 2017.

In September 2017, the Company raised $3,093,520 through capital raising in order to facilitate the business acquisition of Morrison Securities Pty Ltd.

On 30 November 2017, Hall Chadwick resigned as auditor of the Group and William Buck was appointed following shareholder approval at the Annual General Meeting on that date.

On 1 December 2017, the Group purchased 100% of the shares in Interprac Ltd. Interprac supports accounting firms and provides a range of value added substantially similar financial services in the following areas: InterPrac financial planning, Australian Financial Service Licence (AFSL) dealer services, investment referral, insurance and finance services, legal documentation and self-managed super fund (SMSF) administration and the management of the National tax and Accountants' Association corporate business (which provide accountancy practices with solutions to established companies, trusts and new superannuation funds on behalf of their clients).

On 1 December 2017, the Group entered into a new Sydney lease with a term of 3 years and 10 months.

On 1 December 2017, following shareholder approval at the AGM, the Company issued 1,750,000 options to ACN 139 919 305 Pty Ltd under the terms and conditions of the ACN Share Option Deed.

On 1 December 2017, following shareholder approval at the AGM, the Company issued 1,750,000 options to Factotum Capital Pty Ltd under the terms and conditions of the Factotum Share Option Deed.

Restatement of comparatives
After consultation with the Group's previous auditor, Hall Chadwick, and the Group's new auditor, William Buck, the statement of profit or loss and other comprehensive income has been restated for the prior period comparatives in relation to different treatment of deferred revenue and deferred hedging expenses of Investment Solutions operated through Sequoia Specialist Investment Pty Ltd. The figures are now presented gross in revenue and hedging expenses and, as a result, decreased revenue and expenses but has no impact on the reported profit of the Group, net cash from operating activities and net assets in the comparative periods. Refer to restatement of comparatives in the notes to the financial statements section for further details.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

On 16 January 2018, the Group increased its shareholding in Finance TV Pty Ltd to 77.07% from a holding of 53.95% at 30 June 2017.

On 2 February 2018, the Group entered into an operating lease for premises at 525 Flinders Street, Melbourne. The lease is for a term of 7 years with a 3 year option to extend and has an escalation clause. On renewal, the terms of the leases are renegotiated.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Carter
Chairman

27 February 2018
Sydney

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SEQUOIA FINANCIAL GROUP LTD

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2017 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

— no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director
Dated this 27th day of February, 2018

CHARTERED ACCOUNTANTS & ADVISORS
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	Note	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Revenue	6	20,576,876	16,247,167
Expenses			
Data fees		(973,666)	(803,114)
Dealing and settlement		(7,467,359)	(5,024,853)
Commission, hedging and coupon		(4,927,704)	(4,767,031)
Employee benefits		(4,008,917)	(3,417,223)
Occupancy		(346,625)	(221,411)
Telecommunications		(258,518)	(218,548)
Marketing		(163,830)	(176,273)
General and administrative		(920,782)	(671,377)
Impairment, amortisation and depreciation		(159,107)	(110,429)
Acquisition costs		(275,835)	-
Finance costs		(141,002)	(130,210)
Profit before income tax expense		933,531	706,698
Income tax expense		(297,904)	(225,338)
Profit after income tax expense for the half-year		635,627	481,360
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain on the revaluation of available-for-sale financial assets, net of tax		3,890	36,881
Other comprehensive income for the half-year, net of tax		3,890	36,881
Total comprehensive income for the half-year		639,517	518,241
Profit for the half-year is attributable to:			
Non-controlling interest		7,303	7,287
Owners of Sequoia Financial Group Limited		628,324	474,073
		635,627	481,360
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		7,303	7,287
Owners of Sequoia Financial Group Limited		632,214	510,954
		639,517	518,241
		Cents	Cents
Basic earnings per share	21	1.001	0.971
Diluted earnings per share	21	0.971	0.924

Refer to note 4 for detailed information on Restatement of comparatives.

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

Statement of financial position

	Note	Consolidated 31 Dec 2017 $	30 Jun 2017 $
Assets			
Current assets			
Cash and cash equivalents		12,854,666	6,177,418
Trade and other receivables	7	4,927,380	1,621,161
Inventories		23,387	-
Financial assets	8	1,904,644	26,460
Derivative financial instruments	9	12,256,752	5,976,249
Deferred costs	10	9,573,410	7,500,455
Deposits		1,738,352	1,300,000
Prepayments		310,720	132,244
Total current assets		43,589,311	22,733,987
Non-current assets			
Derivative financial instruments	9	30,643,419	19,335,325
Financial assets	11	1,684,365	1,399,115
Plant and equipment	12	1,485,967	268,050
Intangibles	13	20,554,951	8,719,122
Deferred tax		8,773,898	5,718,881
Deferred costs	10	9,644,937	6,715,907
Other assets		496,921	216,892
Total non-current assets		73,284,458	42,373,292
Total assets		116,873,769	65,107,279
Liabilities			
Current liabilities			
Trade and other payables	14	8,982,020	4,423,857
Borrowings	15	3,552,499	273,307
Derivative financial instruments	9	12,256,752	5,976,249
Current tax liabilities		2,408,022	849,695
Employee benefits		661,461	457,323
Deferred revenue	10	11,862,200	8,935,131
Total current liabilities		39,722,954	20,915,562
Non-current liabilities			
Borrowings	16	895,890	1,427,868
Derivative financial instruments	9	30,643,419	19,335,325
Deferred tax		5,762,470	4,537,561
Employee benefits		52,292	30,643
Deferred revenue	10	13,057,718	8,658,240
Total non-current liabilities		50,411,789	33,989,637
Total liabilities		90,134,743	54,905,199
Net assets		26,739,026	10,202,080
Equity			
Issued capital	17	42,651,741	26,724,112
Reserves		382,025	408,335
Accumulated losses		(16,377,552)	(17,005,876)
Equity attributable to the owners of Sequoia Financial Group Limited		26,656,214	10,126,571
Non-controlling interest		82,812	75,509
Total equity		26,739,026	10,202,080

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

Consolidated	Issued equity $	Available-for-sale reserve $	Share-based payments reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2016	26,724,112	177,098	-	(17,670,141)	64,201	9,295,270
Profit after income tax expense for the half-year	-	-	-	474,073	7,287	481,360
Other comprehensive income for the half-year, net of tax	-	36,881	-	-	-	36,881
Total comprehensive income for the half-year	-	36,881	-	474,073	7,287	518,241
Transactions with owners in their capacity as owners:						
Transaction with non-controlling interest	-	-	-	(45,534)	(4,466)	(50,000)
Balance at 31 December 2016	26,724,112	213,979	-	(17,241,602)	67,022	9,763,511

Consolidated	Issued capital $	Available-for-sale reserve $	Share-based payments reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2017	26,724,112	297,951	110,384	(17,005,876)	75,509	10,202,080
Profit after income tax expense for the half-year	-	-	-	628,324	7,303	635,627
Other comprehensive income for the half-year, net of tax	-	3,890	-	-	-	3,890
Total comprehensive income for the half-year	-	3,890	-	628,324	7,303	639,517
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 17)	15,927,629	-	-	-	-	15,927,629
Share-based payments	-	-	(30,200)	-	-	(30,200)
Balance at 31 December 2017	42,651,741	301,841	80,184	(16,377,552)	82,812	26,739,026

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

Statement of cash flows

	Note	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		25,074,774	17,817,631
Payments to suppliers and employees (inclusive of GST)		(17,628,714)	(16,522,752)
		7,446,060	1,294,879
Interest received		39,820	4,849
Interest and other finance costs paid		(141,002)	(130,210)
Net cash from operating activities		7,344,878	1,169,518
Cash flows from investing activities			
Payment for purchase of additional equity in subsidiary		-	(50,000)
Payments for business combinations, net of cash acquired	20	(639,225)	-
Payments for plant and equipment		-	(55,744)
Payments for core capital		(5,600,000)	-
Net cash used in investing activities		(6,239,225)	(105,744)
Cash flows from financing activities			
Proceeds from issue of shares		3,093,520	-
Share issue transaction costs		(133,721)	-
Proceeds from borrowings, net of repayments		2,935,598	660,000
Repayment of convertible notes		(300,000)	(660,000)
Repayment of leases		(23,802)	-
Net cash from financing activities		5,571,595	-
Net increase in cash and cash equivalents		6,677,248	1,063,774
Cash and cash equivalents at the beginning of the financial half-year		6,177,418	812,831
Cash and cash equivalents at the end of the financial half-year		12,854,666	1,876,605

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

NOTE 1. GENERAL INFORMATION

The financial statements cover Sequoia Financial Group Limited as a Group consisting of Sequoia Financial Group Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Sequoia Financial Group Limited's functional and presentation currency.

Sequoia Financial Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7
7 Macquarie Place
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2018.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Business combinations
As discussed in the Annual Report significant accounting policies, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

NOTE 4. RESTATEMENT OF COMPARATIVES

Correction of error

On 21 December 2017, the Group announced on the Australian Securities Exchange that the financial statements for the year ended 30 June 2017 contained a error arising from the treatment of deferred revenue and deferred costs of Sequoia Specialist Investment Pty Ltd ('SSI') products. The SSI revenue were overstated by $9,280,486 and the SSI commission and hedging costs were overstated by the same amount at 30 June 2017. The error has been corrected by restating each of the affected financial statement line items for the prior period as follows. The correction has only impacted the revenue and expense amounts and has no impact on the other financial statement line items including the Group's net profit after tax and net assets previously reported in 30 June 2017 financial statements.

As the year affects the comparatives in the Interim Report, the effect of the restatement at 31 December 2016 is disclosed below.

Statement of profit or loss and other comprehensive income

		Consolidated	
Extract	31 Dec 2016 $ Reported	$ Adjustment	31 Dec 2016 $ Restated
Revenue	17,586,324	(1,339,157)	16,247,167
Expenses			
Commission, hedging and coupon*	(4,697,807)	1,339,157	(4,767,031)
Profit before income tax expense	706,698	-	706,698
Income tax expense	(225,338)	-	(225,338)
Profit after income tax expense for the half-year	481,360	-	481,360
Other comprehensive income for the half-year, net of tax	36,881	-	36,881
Total comprehensive income for the half-year	518,241	-	518,241
Profit for the half-year is attributable to:			
Non-controlling interest	7,287	-	7,287
Owners of Sequoia Financial Group Limited	474,073	-	474,073
	481,360	-	481,360
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest	7,287	-	7,287
Owners of Sequoia Financial Group Limited	510,954	-	510,954
	518,241	-	518,241
	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	0.971	-	0.971
Diluted earnings per share	0.924	-	0.924

* Reported combines two expense categories to align with current period disclosure.

NOTE 5. OPERATING SEGMENTS

Identification of reportable operating segments
The Group is organised into five operating segments which are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on a monthly basis.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Sequoia Wealth Group	Sequoia Wealth Group comprises the Financial Planning, Wealth Management and Corporate advisory business units. This is our personal advice division and specialises in supporting accountants, financial planners, mortgage brokers, insurance advisers and investment advisers with an array of solutions such as AFSL and ACL licensing, merger and acquisitions corporate advice, equity capital market advice, administration and investment platform, investment and superannuation products, model portfolios, mortgage broking and life insurance advice. This is delivered through adviser networks and dedicated direct relationships with clients.
Sequoia Professional Services Group	Sequoia Professional Services Group provides complete SMSF solutions to Financial Planners, Stock Brokers, Mortgage Brokers and Accountants Australia wide. This division also manages a legal practice establishment business and is an Australian leading provider of General Insurance solutions specifically for accountants.
Sequoia Equity Markets Group	Sequoia Equity Markets Group delivers white label Australian Stockbroking and Specialised Investment solutions to third party institutional and adviser networks that operate their own AFSL such as financial planners, financial advisors, banks, building societies and trading educators.
Sequoia Direct Investment Group	Sequoia Direct Investment Group provides general advice for investors on portfolio management, SMSFs, share trading, superannuation, structured products and insurance. This division also includes market data and trading tools for self-directed investors and has an independent news organisation specialising in finance and business news updates, events and investor communication for ASX-Listed companies.

All products and services are provided predominantly to customers in Australia.

Intersegment transactions
Intersegment transactions were made at cost. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

NOTE 5. OPERATING SEGMENTS (CONTINUED)

Operating segment information

Consolidated - 31 Dec 2017	Sequoia Wealth Group $	Sequoia Professional Services Group $	Sequoia Equity Markets Group $	Sequoia Direct Investment Group $	Head Office $	Total $
Revenue						
Revenue	3,880,916	1,657,066	12,639,175	2,399,719	-	20,576,876
Total revenue	3,880,916	1,657,066	12,639,175	2,399,719	-	20,576,876
Segment result	521,498	595,155	829,082	504,661	(1,516,865)	933,531
Profit before income tax expense						933,531
Income tax expense						(297,904)
Profit after income tax expense						635,627
Assets						
Segment assets	8,844,764	7,185,298	98,038,862	2,804,845	-	116,873,769
Total assets						116,873,769
Liabilities						
Segment liabilities	3,645,810	730,494	84,465,032	1,293,407	-	90,134,743
Total liabilities						90,134,743

Consolidated - 31 Dec 2016	Sequoia Wealth Group $	Sequoia Professional Services Group $	Sequoia Equity Markets Group $	Sequoia Direct Investment Group $	Head Office $	Total $
Revenue						
Revenue	2,786,816	1,076,329	9,926,649	2,388,260	69,113	16,247,167
Total revenue	2,786,816	1,076,329	9,926,649	2,388,260	69,113	16,247,167
Segment result	1,238,327	309,637	770,380	372,351	(1,983,977)	706,698
Profit before income tax expense						706,698
Income tax expense						(225,338)
Profit after income tax expense						481,360
Consolidated - 30 Jun 2017						
Assets						
Segment assets	1,911,662	2,068,327	59,400,080	1,727,210	-	65,107,279
Total assets						65,107,279
Liabilities						
Segment liabilities	281,967	175,752	53,921,698	525,782	-	54,905,199
Total liabilities						54,905,199

NOTE 6. REVENUE

	Consolidated	
	31 Dec 2017 $	31 Dec 2016 $
Sales revenue		
Data subscriptions fees	623,351	633,688
Brokerage and commissions revenue	10,634,573	5,630,930
Superannuation product revenue	1,137,785	1,071,845
Structured product revenue	5,285,274	6,520,221
Corporate advisory fees	1,114,839	1,547,911
Media revenue	752,265	674,620
Leasing	144,022	-
Other income	72,514	107,456
	19,764,623	16,186,671
Other revenue		
Interest	39,820	4,849
Other revenue	772,433	55,647
	812,253	60,496
Revenue	20,576,876	16,247,167

Other revenue includes general service revenue and held for trading revenue.

NOTE 7. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Trade receivables	1,273,664	1,442,669
Less: Provision for impairment of receivables	(124,513)	(60,551)
	1,149,151	1,382,118
Other receivables	3,778,229	239,043
	4,927,380	1,621,161

The increase in other receivables over comparative period is due to the timing of commissions receivable at the period end being received.

NOTE 8. CURRENT ASSETS - FINANCIAL ASSETS

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Ordinary shares - held for trading	1,904,644	26,460

Refer to note 18 for further information on fair value measurement. Ordinary shares are held in ASX listed companies and are actively traded.

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Current assets Derivatives - fair value hedges	12,256,752	5,976,249
Non-current assets Derivatives - fair value hedges	30,643,419	19,335,325
Current liabilities Derivatives - fair value hedges	(12,256,752)	(5,976,249)
Non-current liabilities Derivatives - fair value hedges	(30,643,419)	(19,335,325)
	-	-

Refer to note 18 for further information on fair value measurement.
Sequoia has an obligation to its clients to pay the value of the investment at expiry or when an unwind event occurs. The current asset amount and the non-current asset amount equals that of the investment obligation described as a current liability and a non-current liability. The carrying amount equals the amount of the investment obligation. The rise or fall offset each other.

NOTE 10. DEFERRED COSTS AND DEFERRED REVENUE

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Deferred costs		
Assets:		
Current	9,573,410	7,500,455
Non-current	9,644,937	6,715,907
Total deferred costs	19,218,347	14,216,362

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Deferred revenue		
Liabilities:		
Current	11,862,200	8,935,131
Non-current	13,057,718	8,658,240
Total deferred revenue	24,919,918	17,593,371

Deferred costs relates to hedging costs and deferred revenue relate to sales. The costs and revenue are deferred due to recognition requirements where the revenue and cost is spread over the product life.

Current deferred revenue less current deferred costs total $2,288,790 (30 June 2017: $1,434,676) and is to be realised in the next 12 months. Non-current deferred revenue less non-current deferred costs total $3,412,781 (30 June 2017: $1,942,333) and is to be realised in more than 12 months.

Total deferred revenue less total deferred costs is $5,701,571 (30 June 2017: $3,377,009) which will be realised in the coming years.

NOTE 11. NON-CURRENT ASSETS - FINANCIAL ASSETS

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Investment in other non-listed entities - at cost	1,684,365	1,399,115

NOTE 12. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Leasehold improvements - at cost	208,585	161,655
Less: Accumulated depreciation	(166,764)	(120,678)
	41,821	40,977
Plant and equipment - at cost	3,672,242	828,428
Less: Accumulated depreciation	(2,228,096)	(601,355)
	1,444,146	227,073
	1,485,967	268,050

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2017	40,977	227,073	268,050
Additions	-	72,829	72,829
Additions through business combinations (note 20)	20,699	1,218,024	1,238,723
Depreciation expense	(19,855)	(73,780)	(93,635)
Balance at 31 December 2017	41,821	1,444,146	1,485,967

NOTE 13. NON-CURRENT ASSETS - INTANGIBLES

	Consolidated 31 Dec 2017 $	Consolidated 30 Jun 2017 $
Goodwill - at cost	16,893,528	8,607,296
Website - at cost	72,112	72,112
Less: Accumulated amortisation	(60,444)	(54,822)
	11,668	17,290
Customer list - at cost	450,472	413,472
Less: Accumulated amortisation	(393,812)	(354,492)
	56,660	58,980
Regulator memberships and licences - at cost	3,666,706	102,500
Less: Accumulated amortisation	(73,611)	(66,944)
	3,593,095	35,556
	20,554,951	8,719,122

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill $	Website $	Customer list $	Regulator memberships and licences $	Total $
Balance at 1 July 2017	8,607,296	17,290	58,980	35,556	8,719,122
Additions through business combinations (note 20)	8,286,232	-	37,000	3,564,206	11,887,438
Amortisation expense	-	(5,622)	(39,320)	(6,667)	(51,609)
Balance at 31 December 2017	16,893,528	11,668	56,660	3,593,095	20,554,951

Amounts acquired under business combinations are provisional as the entity has 12 months from the date of acquisition to finalise its fair value accounting.

Impairment testing

Goodwill acquired through business combinations has been allocated to the following cash generating units:

	Consolidated 31 Dec 2017 $	Consolidated 30 Jun 2017 $
Cash generating units ('CGUs'):		
Sequoia Wealth Group	674,686	674,686
Sequoia Professional Services Group	1,688,608	1,688,608
Sequoia Equity Markets Group	5,162,392	5,162,392
Sequoia Direct Investment Group	1,081,610	1,081,610
Unallocated *	8,286,232	-
	16,893,528	8,607,296

* Until the business combination of Interprac Ltd is fully finalised the goodwill has not yet been allocated to a CGU.

NOTE 13. NON-CURRENT ASSETS - INTANGIBLES (CONTINUED)

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 12-month projection period approved by management and extrapolated for a further 4 years by using key assumptions.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model in relation to the goodwill associated to various cash generating units:

Key assumptions	Revenue growth rate %	Increase in direct and overhead costs per annum %	Discount rate %
Sequoia Wealth Group	5.0%	2.5%	15.0%
Sequoia Professional Services Group	5.0%	2.5%	15.0%
Sequoia Equity Markets Group	1.0%	2.5%	15.0%
Sequoia Direct Investment Group	2.0%	2.5%	15.0%

The goodwill is considered to be sensitive to these assumptions and is carried in the statement of financial position at a written-down value.

Any impairment is recognised in respect of goodwill at the end of the relevant reporting period.

NOTE 14. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Trade payables	1,997,968	1,343,454
Client monies payable	3,413,245	-
Accrued expenses	2,945,175	2,813,751
Other payables	625,632	266,652
	8,982,020	4,423,857

NOTE 15. CURRENT LIABILITIES - BORROWINGS

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Bank loans	9,482	158,820
Capital finance	3,200,100	14,487
Convertible notes payable	300,000	100,000
Lease liability	42,917	-
	3,552,499	273,307

NOTE 16. NON-CURRENT LIABILITIES - BORROWINGS

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Bank loans	727,191	827,868
Convertible notes payable	100,000	600,000
Lease liability	68,699	-
	895,890	1,427,868

Interest on borrowings is payable at rates between 6.5% and 12%.

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

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
Bank loans	736,673	986,688
Lease liability	111,616	-
	848,289	986,688

Assets pledged as security
The bank loans are secured by first mortgages over all assets.

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

NOTE 17. EQUITY - ISSUED CAPITAL

	Consolidated			
	31 Dec 2017 Shares	30 Jun 2017 Shares	31 Dec 2017 $	30 Jun 2017 $
Ordinary shares - fully paid	102,805,525	48,798,775	42,912,351	26,851,001
Transaction costs	-	-	(260,610)	(126,889)
	102,805,525	48,798,775	42,651,741	26,724,112

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2017	48,798,775		26,724,112
Issue of shares	4 September 2017	3,394,750	$0.32	1,086,320
Issue of shares	15 September 2017	5,583,750	$0.32	1,786,800
Issue of shares	18 September 2017	501,250	$0.32	160,400
Issue of shares on acquisition of Morrison Securities Pty Ltd	18 September 2017	1,562,500	$0.36	562,500
Issue of shares	25 September 2017	187,500	$0.32	60,000
Issue of shares on acquisition of Interprac Pty Ltd	1 December 2017	42,777,000	$0.29	12,405,330
Share issue transaction costs				(133,721)
Balance	31 December 2016	102,805,525		42,651,741

NOTE 18. FAIR VALUE MEASUREMENT

Fair value hierarchy

AASB13 requires disclosure of fair value measurements using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value on a recurring basis:

Consolidated - 31 Dec 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Listed ordinary shares	1,904,644	-	-	1,904,644
Unlisted ordinary shares	-	-	1,880,195	1,880,195
Derivative financial instruments	-	39,227,731	-	39,227,731
Total assets	1,904,644	39,227,731	1,880,195	43,012,570
Liabilities				
Derivative financial instruments	-	39,227,731	-	39,227,731
Total liabilities	-	39,227,731	-	39,227,731

Consolidated - 30 Jun 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Listed ordinary shares	26,460	-	-	26,460
Unlisted ordinary shares	-	-	1,399,115	1,399,115
Derivative financial instruments	-	25,424,320	-	25,424,320
Total assets	26,460	25,424,320	1,399,115	26,849,895
Liabilities				
Derivative financial instruments	-	25,424,320	-	25,424,320
Total liabilities	-	25,424,320	-	25,424,320

There were no transfers between levels during the financial half-year.

Convertible notes are held at amortised cost so are excluded from the fair value tables above.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

NOTE 18. FAIR VALUE MEASUREMENT (CONTINUED)

Valuation techniques for fair value measurements categorised within level 2 and level 3
Financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Unquoted investments have been valued using a price of recent third party transactions.

The valuation process is managed by the Chief Operating Decision Makers ('CODM') of the Group who perform and validate valuations of non-property assets required for financial reporting purposes (including level 3 fair values). Discussion on valuation processes and outcomes are held between the CODM, CFO and audit committee every six months. Discussion on valuation processes and outcomes are held between the CODM, CFO and audit committee every six months.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Unlisted ordinary shares - available-for-sale $
Balance at 1 July 2017	1,399,115
Gains recognised in other comprehensive income	286,783
Additions	194,297
Balance at 31 December 2017	1,880,195

NOTE 19. CONTINGENT LIABILITIES

The Group has given a credit card facility bank guarantee as at 31 December 2017 of $100,000 (30 June 2017: $100,000).

NOTE 20. BUSINESS COMBINATIONS

Morrison Securities Pty Ltd
On 18 September 2017, Sequoia Financial Group Limited acquired 100% of the ordinary shares of Morrison Securities Pty Ltd for the total consideration transferred of $3,577,828. This is a well established online stockbroking business that is highly complementary to Sequoia's existing stockbroking businesses and operates in the Trading and Execution division of the Group. The acquired business contributed revenues of $384,285 and profit before tax of $35,133 to the Group for the period from 18 September 2017 to 31 December 2017. If the acquisition occurred on 1 July 2017, the full half-year contributions would have been revenues of $661,069 and profit before tax of $69,194. The values identified in relation to the acquisition of Morrison Securities Pty Ltd are provisional as at 31 December 2017.

NOTE 20. BUSINESS COMBINATIONS (CONTINUED)

Interprac Pty Ltd

On 1 December 2017, Sequoia Financial Group Limited acquired 100% of the ordinary shares of Interprac Ltd for the total consideration transferred of $12,405,330. Interprac supports accounting firms and provides a range of value added substantially similar financial services in the following areas: InterPrac financial planning, Australian Financial Service Licence (AFSL) dealer services, investment referral, insurance and finance services, legal documentation and selfmanaged super fund (SMSF) administration and the management of the National tax and Accountants' Association corporate business (which provide accountancy practices with solutions to established companies, trusts and new superannuation funds on behalf of their clients). The goodwill of $8,286,232 represents the synergies expected to be obtained from the integration of the business into the Group. The acquired business contributed revenues of $2,397,237 and profit before tax of $198,826 to the Group for the period from 1 December 2017 to 31 December 2017. If the acquisition occurred on 1 July 2017, the full half-year contributions would have been revenues of $14,408,353 and profit before tax of $241,170. The values identified in relation to the acquisition of Interprac Ltd are provisional as at 31 December 2017.

Details of the acquisitions are as follows:

	Morrison Securities Pty Ltd Fair value $	Interrprac Pty Ltd Fair value $	Total Provisional Fair value $
Cash and cash equivalents	1,462,406	913,697	2,376,103
Trade receivables	-	517,390	517,390
Other receivables	-	414,578	414,578
Financial assets	-	1,462,429	1,462,429
Other current assets	1,766,979	2,371,809	4,138,788
Property, plant and equipment	-	1,238,723	1,238,723
Intangibles	3,564,206	37,000	3,601,206
Trade payables	(3,215,763)	(2,825,899)	(6,041,662)
Other liabilities	-	(10,629)	(10,629)
Net identifiable assets	3,577,828	4,119,098	7,696,926
Goodwill	-	8,286,232	8,286,232
Total consideration	3,577,828	12,405,330	15,983,158
Representing:			
Cash paid or payable to vendor	3,015,328	-	3,015,328
Sequoia Financial Group Limited shares issued to vendor	562,500	12,405,330	12,967,830
	3,577,828	12,405,330	15,983,158
Acquisition costs expensed to profit or loss	47,677	228,158	275,835
Cash used to acquire business, net of cash acquired:			
Total consideration	3,577,828	12,405,330	15,983,158
Less: cash and cash equivalents	(1,462,406)	(913,697)	(2,376,103)
Less: shares issued by Company as part of consideration	(562,500)	(12,405,330)	(12,967,830)
Net cash used/(received)	1,552,922	(913,697)	639,225

NOTE 21. EARNINGS PER SHARE

	Consolidated	
	31 Dec 2017 $	31 Dec 2016 $
Profit after income tax	635,627	481,360
Non-controlling interest	(7,303)	(7,287)
Profit after income tax attributable to the owners of Sequoia Financial Group Limited	628,324	474,073
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	62,756,184	48,798,706
Adjustments for calculation of diluted earnings per share:		
Performance rights	1,300,000	-
Convertible notes	666,668	2,500,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	64,722,852	51,298,706
	Cents	**Cents**
Basic earnings per share	1.001	0.971
Diluted earnings per share	0.971	0.924

NOTE 22. EVENTS AFTER THE REPORTING PERIOD

On 16 January 2018, the Group increased its shareholding in Finance TV Pty Ltd to 77.07% from a holding of 53.95% at 30 June 2017.

On 2 February 2018, the Group entered into an operating lease for premises at 525 Flinders Street, Melbourne. The lease is for a term of 7 years with a 3 year option to extend and has an escalation clause. On renewal, the terms of the leases are renegotiated.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Carter
Chairman

27 February 2018
Sydney

William Buck

Sequoia Financial Group Ltd

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Sequoia Financial Group Ltd (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) 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 Sequoia Financial Group Ltd 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.

Other Matter

The financial report of the Company for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on the financial report on 28 September 2017.

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:

CHARTERED ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

William Buck

Sequoia Financial Group Ltd

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

— 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 Sequoia Financial Group Ltd, 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 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.

William Buck.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J.C Luckins
Director

Dated this 27th day of February, 2018