ComOps Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	ComOps Limited
ABN:	79 000 648 082
Reporting period:	For the half-year ended 30 June 2018
Previous period:	For the half-year ended 30 June 2017

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	11.0%	to	4,835,224
Loss from ordinary activities after tax attributable to the owners of ComOps Limited	down	97.2%	to	(118,898)
Loss for the half-year attributable to the owners of ComOps Limited	down	97.2%	to	(118,898)
Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation	up	119.7%	to	202,279

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

Comments
The adjusted earnings before interest, tax, depreciation and amortisation ('adjusted EBITDA'), was a profit of $202,279 excluding impairment and write-off of assets (2017: adjusted EBITDA of $1,028,761).

Adjusted EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider adjusted EBITDA to reflect the core earnings of the consolidated entity.

	Consolidated	
	2018 $	2017 $
Sales revenue	4,833,336	4,356,223
Profit/(loss) after tax for the year	(118,898)	(4,246,573)
Add: depreciation and amortisation	424,153	447,185
Add: impairment and write-off of assets	-	2,877,770
Less: interest revenue	(1,888)	(1,413)
Add: finance costs	9,072	52,513
Less: tax benefit	(110,160)	(158,243)
Adjusted EBITDA	202,279	(1,028,761)

Refer to Chairman's letter for further commentary on the results.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.30)	(0.34)

4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Not applicable.

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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.

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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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, modified to include a material uncertainty in relation to going concern, is attached as part of the Interim Report.

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11. Attachments

Details of attachments (if any):

The Interim Report of ComOps Limited for the half-year ended 30 June 2018 is attached.

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12. Signed

Signed ______________________________ Date: 15 August 2018

Niall Cairns
Non-Executive Chairman
Sydney

ComOps Limited

ABN 79 000 648 082

Interim Report - 30 June 2018

Dear Fellow shareholders,

It is a pleasure to provide you with the first half 2018 results of ComOps Limited ('ComOps'). The financial performance highlights, compared to the first half of the 2017 year, are:

- Revenue up by 11% to $4.8 million
- Recurring revenue up by 6% to $3.4 million, being 65% of revenue
- Earnings before interest, tax, depreciation and amortisation ('EBITDA') up >119% to $0.2 million
- After tax loss reducing to $0.1 million
- Cash flow positive, with cash increasing to $0.74 million

We entered 2018 with a solid base, a revitalised business and a clear business strategy. This followed the transformation undertaken in 2017 that included new management, new capital, a significant reduction in the cost base and a revised business strategy. It has driven the dramatic improvement in financial performance from an EBITDA loss of $1.0 million (1H FY17) to a positive EBITDA of $0.2 million.

Importantly the result also shows the strength of the underlying business and your company's technology solutions (Microster, Etivity, Rostima and Salvus). They are real world leading solutions that deliver our customers significant, though often under appreciated, value. Value that we are focused on increasing with enhanced customer focused development and data analytics solutions. We believe that the range of data analytics solutions we have and are developing will provide our customers with valuable new decision making tools, enabling better utilisation, forecasting and management of their people, assets and operations. In addition, our strong customer and technology and base is enabling us to extend our market reach with partnerships and integrations with market leading global groups that we expect to convert into sales in the near term.

Focusing on our core industries, customers and solutions has delivered immediate positive momentum. One of the key strategies has been to commit to the ongoing development of our core Microster solution. This has led to winning new customers, contract upgrades and significant strengthening to the sales pipeline. Another significant achievement has been the development catchup program that has included release of new mobility solutions.

Our Chief Executive Officer, Chris Fydler, has now led our company for just over a year, in which he and his team have delivered this transformation into a growing, cashflow and EBITDA positive company. The positive customer feedback on our focus, increasing customer engagement on the development front and a growing sales pipeline that is converting into sales provides us with confidence that this initial momentum may be sustained and built on.

Looking forward we continue to build the team to execute on the market opportunity we have in Australia, New Zealand, UK, Europe and North America. Whilst also delivering growth, profitability and shareholder value.

Yours sincerely,

Niall Cairns
Non-Executive Chairman

15 August 2018
Sydney

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of ComOps 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 30 June 2018.

Directors

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

Mr Niall Cairns	Non-Executive Chairman
Dr Phillip Carter	Non-Executive Director
Mr Neil Docherty	Non-Executive Director
Mr Matthew Michalewicz	Non-Executive Director

Principal activities

During the financial half-year the principal activities of the consolidated entity consisted of the provision of workforce management software and services for Australian and international customers. Offices in Australia and the United Kingdom support over 160 customers and over 5,800 locations globally in APAC, EMEA and North America.

The consolidated entity, under the brand names ComOps WFM, eTivity, Microster, Rostima and Salvus, provides effective workforce management and optimisation solutions to enterprises globally who are looking to simplify complex workforce environments. It specialises in interpreting Award Wages and Enterprise Bargaining Agreements and equivalent structures.

The consolidated entity delivers substantial financial and operational advantage by aligning people, productivity and performance, making workforces more productive, reducing fixed and variable overheads, and increasing profitability. The consolidated entity has clients in global ports, aviation, security, transportation, health, childcare, government, retail and hospitality.

Dividends

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

Review of operations

The adjusted earnings before interest, tax, depreciation and amortisation ('adjusted EBITDA'), was a profit of $202,279 excluding impairment and write-off of assets (2017: loss of $1,028,761).

Adjusted EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (‘AAS’) and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider adjusted EBITDA to reflect the core earnings of the consolidated entity.

Highlights of the consolidated entity's financial statements covering the financial half-year ended 30 June 2018 are as follows:

	Consolidated	
	2018 $	2017 $
Sales revenue	4,833,336	4,356,223
Profit/(loss) after tax for the year	(118,898)	(4,246,573)
Add: depreciation and amortisation	424,153	447,185
Add: impairment and write-off of assets	-	2,877,770
Less: interest revenue	(1,888)	(1,413)
Add: finance costs	9,072	52,513
Less: tax benefit	(110,160)	(158,243)
Adjusted EBITDA	202,279	(1,028,761)

Refer to Chairman's letter for further commentary on the results.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

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

Niall Cairns
Non-Executive Chairman

Phillip Carter
Non-Executive Director

15 August 2018
Sydney

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration to the Directors of ComOps Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of ComOps Limited for the half-year ended 30 June 2018. 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M Leivesley

M R Leivesley
Partner – Audit & Assurance

Sydney, 15 August 2018

ComOps Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
Revenue from contracts with customers	4	4,833,336	4,356,223
Other income	5	376,978	482,640
Interest revenue calculated using the effective interest method		1,888	1,413
Expenses			
Materials - clocks and third party products		(55,391)	(37,225)
Employee benefits expense		(3,675,729)	(3,770,572)
Consultancy and legal fees		(235,404)	(433,160)
Directors' fees		(140,000)	(140,000)
Depreciation and amortisation expense		(424,153)	(447,185)
Impairment and write-off of assets	6	-	(2,877,770)
Accounting and professional fees		(147,031)	(229,491)
Occupancy expenses		(159,792)	(212,334)
IT hosting expenses		(344,022)	(487,236)
Travel expenses		(118,988)	(148,797)
Other expenses		(131,678)	(408,809)
Finance costs		(9,072)	(52,513)
Loss before income tax benefit		(229,058)	(4,404,816)
Income tax benefit		110,160	158,243
Loss after income tax benefit for the half-year attributable to the owners of ComOps Limited		(118,898)	(4,246,573)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(4,410)	(27,189)
Other comprehensive income for the half-year, net of tax		(4,410)	(27,189)
Total comprehensive income for the half-year attributable to the owners of ComOps Limited		(123,308)	(4,273,762)
		Cents	**Cents**
Basic earnings per share	10	(0.0120)	(0.5925)
Diluted earnings per share	10	(0.0120)	(0.5925)

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

	Note	Consolidated 2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents		739,030	666,733
Trade and other receivables		623,803	931,066
Inventories		77,143	89,495
Research and development credit receivable		479,448	178,122
Work in progress		148,839	33,400
Prepayments		46,725	133,433
Total current assets		2,114,988	2,032,249
Non-current assets			
Property, plant and equipment		106,147	100,300
Intangibles	6	2,499,307	2,894,016
Security deposits		125,987	172,305
Total non-current assets		2,731,441	3,166,621
Total assets		4,846,429	5,198,870
Liabilities			
Current liabilities			
Trade and other payables		1,159,317	1,019,436
Provisions		947,859	972,387
Deferred maintenance revenue		1,578,410	1,836,918
Total current liabilities		3,685,586	3,828,741
Non-current liabilities			
Deferred tax		748,046	866,159
Provisions		87,309	77,257
Total non-current liabilities		835,355	943,416
Total liabilities		4,520,941	4,772,157
Net assets		325,488	426,713
Equity			
Issued capital		38,286,177	38,290,678
Reserves		459,927	437,753
Accumulated losses		(38,420,616)	(38,301,718)
Total equity		325,488	426,713

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

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2017	36,553,145	437,403	(31,793,805)	5,196,743
Loss after income tax benefit for the half-year	-	-	(4,246,573)	(4,246,573)
Other comprehensive income for the half-year, net of tax	-	(27,189)	-	(27,189)
Total comprehensive income for the half-year	-	(27,189)	(4,246,573)	(4,273,762)
Balance at 30 June 2017	36,553,145	410,214	(36,040,378)	922,981

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2018	38,290,678	437,753	(38,301,718)	426,713
Loss after income tax benefit for the half-year	-	-	(118,898)	(118,898)
Other comprehensive income for the half-year, net of tax	-	(4,410)	-	(4,410)
Total comprehensive income for the half-year	-	(4,410)	(118,898)	(123,308)
Transactions with owners in their capacity as owners:				
Share-based payments	-	26,584	-	26,584
Transactions costs associated with the issue of shares in the prior period	(4,501)	-	-	(4,501)
Balance at 30 June 2018	38,286,177	459,927	(38,420,616)	325,488

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

ComOps Limited
Statement of cash flows
For the half-year ended 30 June 2018

	Consolidated 2018 $	2017 $
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	5,163,769	5,228,308
Payments to suppliers (inclusive of GST)	(5,155,987)	(5,757,424)
Interest received	1,888	1,413
Interest and other finance costs paid	(3,897)	(52,513)
Refund of rental bond	50,506	-
Government grant received	54,438	-
Net cash from/(used in) operating activities	110,717	(580,216)
Cash flows from investing activities		
Payments for property, plant and equipment	(38,800)	(1,105)
Payments for intangibles	-	(256,298)
Payments for security deposits	-	(1,090)
Net cash used in investing activities	(38,800)	(258,493)
Cash flows from financing activities		
Share issue transaction costs	(7,602)	-
Net cash used in financing activities	(7,602)	-
Net increase/(decrease) in cash and cash equivalents	64,315	(838,709)
Cash and cash equivalents at the beginning of the financial half-year	666,733	1,196,999
Effects of exchange rate changes on cash and cash equivalents	7,982	-
Cash and cash equivalents at the end of the financial half-year	739,030	358,290

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

Note 1. General information

The financial statements cover ComOps Limited ('company' or 'parent entity') as a consolidated entity consisting of ComOps Limited and the entities it controlled at the end of, or during, the financial half-year ('consolidated entity). The financial statements are presented in Australian dollars, which is ComOps Limited's functional and presentation currency.

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

Level 16
132 Arthur Street
North Sydney NSW 2060

A description of the nature of the consolidated entity'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 15 August 2018.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2018 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 31 December 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 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. Where applicable, the consolidated entity has made retrospective adjustments to comparatives as a result of adopting these accounting standards. The new accounting standards adopted are discussed below.

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

The following Accounting Standards and Interpretations that have been adopted are most relevant to the consolidated entity:

AASB 9 Financial Instruments and associated amending standards
The consolidated entity has adopted AASB 9 for the first time as from 1 January 2018. The associated amending standard AASB 2014-7 'Amendments arising from AASB 9 (December 2014)' has also been adopted. AASB 9 introduces new classification and measurement models for financial assets. New impairment requirements will use an ‘expected credit loss’ (ECL) model to recognise an allowance and results in impairment under AASB 9 being recognised earlier than under AASB 139. The consolidated entity has elected to apply AASB 9 on a full retrospective basis with the exception of the hedge accounting requirements which are required to be applied prospectively from the date of application.

Impairment of receivables
The consolidated entity has applied the simplified approach to measuring expected credit losses to trade receivables using a life-time expected loss allowance. The consolidated entity has also used the practical expedient of a provisions matrix using fixed rates to approximate the expected credit losses. These provisions are considered representative across all business and geographic segments of the consolidated entity based on historical credit loss experience.

Note 2. Significant accounting policies (continued)

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 30 June 2018 and are not expected to have any significant impact for the full financial year ending 31 December 2018.

AASB 15 Revenue from Contracts with Customers and associated amending standards
The consolidated entity has adopted AASB 15 for the first time as from the date of application being 1 January 2018. AASB 2015-8 'Amendments - Effective date of AASB 15', and AASB 2016-3 'Clarifications to AASB 15' have also been adopted. As permitted by the standard, the consolidated entity has elected to adopt AASB 15 on a full retrospective basis.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. The standard moves away from the previous focus on identifying whether the seller has transferred to the buyer the significant risks and rewards of ownership. The core principle of the new standard is to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the consolidated entity expects to be entitled in exchange for those goods or services. The standard defines a customer as ‘a party that has contracted with an entity to obtain goods or services that are an output of the entity’s ordinary activities in exchange for consideration’. Management has undertaken an exercise to assess the consolidated entity’s contractual arrangements with its customers as part of its implementation of AASB 15. AASB 15 requires contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied.

Performance obligations are identified at contract inception and represent each promise to transfer distinct goods or services, bundles of goods or services, or series of distinct goods or services whereby the customer can benefit from the distinct good or service either on its own or with other readily available resources where such promises are separately identifiable from other distinct promises.

The transaction price allocated to the performance obligation is determined at the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration promised in a contract may therefore be variable where allowances must be made for instances of anticipated product returns, discounts and concessions, rebates, refunds, credits, bonuses, penalties and contingent future events. Such variables may be either explicitly or implicitly stated in the contract. The transaction price is also adjusted where the contract contains, either explicitly or implicitly, a significant financing component of greater than 12 months. In such instances, the consideration will be adjusted to reflect a cash equivalent price for the good or service.

Some contracts include multiple deliverables, such as subscription fees (SAAS), hosting set up fees and enterprise licences fees. Where such contracts exists, and each deliverable is independent of the other deliverables within the contract, each deliverable is therefore accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. Contracts with multiple deliverables may include revenue from a performance obligation which are recognised at a point in time, such as contracts which include a subscription fee, revenue from the subscription fee is recognised at a point in time when the performance obligation to transfer control to the customer is satisfied and the ownership risks have effectively passed to the customer pursuant to the contract.

Revenue is only recognised to the extent to which it is considered highly probable that there will be no significant reversal of that revenue. This determination is made having regard to contract terms, the nature of the product delivered, and past experience with the customer.

Sale of software licenses
Sale of software licenses which does not include installation and support services, is accounted for as a separate performance obligation. Revenue from license sales will be recognised at the point in time when the performance obligation to transfer control to the customer is satisfied and the ownership risks have effectively passed to the customer pursuant to the contract. Revenue is only recognised where there is a signed contract confirming the terms and value of the license sale or license extension along with a signed letter from the customer confirming that the software has been delivered or that the customer has access to it.

Note 2. Significant accounting policies (continued)

Sale of goods
Sale of goods revenue is recognised when its performance obligation to transfer control of the goods to the customer is satisfied which occurs either at the point of sale or when delivery is completed by way of shipping the product to the location specified by the customer and the ownership risks have therefore passed to the customer pursuant to the contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of installation services
Rendering of services revenue, being installation, is recognised by reference to the stage of completion of the contracts which reflects progress towards complete satisfaction of the performance obligation. Stage of completion is measured by reference to time and costs incurred to date as a percentage of total costs for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Customer Support and Hosting
Revenue from customer support or hosting (SaaS or MAS) is typically paid in advance on an annual, quarterly or monthly basis. Revenue is recognised over the period the customer support/hosting relates to (the coverage period) and shall not be refundable in any way. Customer support and hosting fees received in advance of the performance of services are deferred and recognised as deferred maintenance revenue.

Work in progress
Work in progress arises where the consolidated entity has performed by transferring goods or services to a customer prior to the receipt of consideration from the customer or prior to payment becoming due and represents the consolidated entity's right to consideration for the transferred good or service. Such assets are treated as financial assets for impairment purposes.

Deferred maintenance revenue
Deferred maintenance revenue is recognised when a customer pays consideration for maintenance services, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), in circumstances where the consolidated entity is yet to transfer a good or service to the customer.

The adoption of this AASB 15 did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 30 June 2018 and are not expected to have any significant impact for the full financial year ending 31 December 2018.

Going concern
The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As at 30 June 2018 the consolidated entity had a working capital deficiency of $1,570,598 (31 December 2017: $1,796,492) and reported a net loss after tax for the half-year of $118,898 (Half-year ended 30 June 2017: loss of $4,246,573) and operating cash inflows of $110,717 (Half-year ended 30 June 2017: operating cash outflows of $580,216) for the financial half-year. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity’s ability to continue as a going concern.

The directors believe the consolidated entity will be able to realise its assets and settle its liabilities and commitments in the ordinary course of business and at the amounts stated in the financial report. Accordingly, the financial report has been prepared on the going concern basis and does not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Some of the factors taken into consideration by the Directors in making their assessment of the applicability of the going concern assumption include:
- the consolidated entity reported positive operating cash flows in its Appendix 4C for the quarter ended 30 June 2018, which is the third consecutive quarter of reported growing cash balances; and
- utilisation of the MAMM R&D loan facilities of $390,000, with funding to commence from 1 August 2018.

Note 2. Significant accounting policies (continued)

The directors maintain a positive outlook that the benefits of the transformation program commenced in late 2017 combined with utilisation of the MAMM R&D loan facility is sufficient to support the ongoing working capital needs of the consolidated entity. Should the consolidated entity be unable to achieve the forecast profitable growth in the business, or generate positive cash flows, then the consolidated entity may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment being workforce management. This operating segment is based on the internal reports that are reviewed and used by the Chief Executive Officer and Chief Financial Officer (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 workforce management business focuses on providing effective workforce management solutions including rostering and scheduling, award interpretation, labour cost management, fatigue risk management, leave management, time and attendance, employee self-service portals, risk management and safety compliance and workforce analytics. The Software central to this business is ComOps WFM (workforce management solutions), Microster (workforce management solutions), eTivity (workforce management solutions), Rostima (workforce management solutions) and Salvus (safety, risk and claims solutions).

The operating segment information is the same information as provided throughout the financial statements and therefore not duplicated.

Note 4. Revenue from contracts with customers

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2018	2017
	$	$
Major product lines		
Sale of software licences	434,646	135,026
Product services	844,574	884,669
Customer support	2,220,433	2,158,971
Subscriptions	1,148,328	1,016,586
Development	95,609	82,770
Royalties and commissions	18,353	8,845
Sale of clocks	71,393	69,356
	4,833,336	4,356,223

	Consolidated	
	2018	2017
	$	$
Timing of revenue recognition		
Products and services transferred at a point in time	1,464,575	1,180,666
Services transferred over time	3,368,761	3,175,557
	4,833,336	4,356,223

ComOps

Note 5. Other income

	Consolidated 2018 $	Consolidated 2017 $
Research and development rebate	309,208	462,555
Other income	67,770	20,085
Other income	376,978	482,640

Note 6. Non-current assets - intangibles

	Consolidated 2018 $	Consolidated 2017 $
Goodwill - at cost	15,801,709	16,584,001
Less: Impairment	(15,801,709)	(16,584,001)
	-	-
Software - at cost	5,136,061	5,136,061
Less: Accumulated amortisation	(2,864,523)	(2,542,093)
Less: Impairment	(229,998)	(229,998)
	2,041,540	2,363,970
Customer relationships - at cost	1,071,315	1,071,315
Less: Accumulated amortisation	(566,908)	(494,629)
Less: Impairment	(46,640)	(46,640)
	457,767	530,046
	2,499,307	2,894,016

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

Consolidated	Software $	Customer relationships $	Total $
Balance at 1 January 2018	2,363,970	530,046	2,894,016
Amortisation expense	(322,430)	(72,279)	(394,709)
Balance at 30 June 2018	2,041,540	457,767	2,499,307

Note 7. Equity - dividends

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

Note 8. Fair value measurement

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade 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 instruments.

Note 9. Contingent liabilities

The consolidated entity has a bank guarantee in place with St. George Bank which amounts to $124,000 (31 December 2017: $124,000).

Note 10. Earnings per share

	Consolidated	
	2018	2017
	$	$
Loss after income tax attributable to the owners of ComOps Limited	(118,898)	(4,246,573)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	989,691,821	716,753,415
Weighted average number of ordinary shares used in calculating diluted earnings per share	989,691,821	716,753,415
	Cents	Cents
Basic earnings per share	(0.0120)	(0.5925)
Diluted earnings per share	(0.0120)	(0.5925)

53,565,380 (2017: 53,565,380) options on issue have been excluded from the weighted average number of ordinary shares used in calculating diluted earnings per share as they are considered anti-dilutive.

Note 11. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity'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 consolidated entity's financial position as at 30 June 2018 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

Niall Cairns	Phillip Carter
Non-Executive Chairman	Non-Executive Director

15 August 2018
Sydney

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.

Independent Auditor's Review Report
To the Members of ComOps Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of ComOps Limited (the Company), which comprises the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of ComOps Limited does not give a true and fair view of the financial position of the consolidated entity as at 30 June 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the consolidated entity incurred a net loss of $118,898 during the half year ended 30 June 2018 and, as of that date, it had a working capital deficiency of $1,570,598. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 gives a true and fair view and 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 consolidated entity's financial position as at 30 June 2018 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 ComOps Limited, 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.*

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M R Leivesley
Partner – Audit & Assurance

Sydney, 15 August 2018