

13 February 2019

AstiVita Makes Unexpected Profit for January

AstiVita has recorded a \$30,000 profit before tax for the month of January based on unaudited management accounts. Traditionally January trading for AstiVita is the slowest month of the year with the building industry on holidays for the first two weeks and general retail sales slow after the Christmas break.

AstiVita continues to work hard on its e-commerce business and diversification strategy into new non-traditional product lines. Significant progress has been made in utilising Amazon fulfilment capabilities for logistics and warehousing, creating further savings. The pre-existing range of products has been further consolidated with progress being made in liquidating aging stock.

The lease on our new premises has been signed, including 50% reduction in annual rate and rent free period until 30 June 2019.

The Board is of the belief that in FY20, the company should start producing acceptable results.

Lev Mizikovsky

Chairman

Appendix 4D – Interim Financial
Report for Half Year Ended
31 December 2018



AstiVita Limited ABN 46 139 461 733

Name of Entity: **ASTIVITA LIMITED**
ABN: **46 139 461 733**
Current period: **1 July 2018 to 31 December 2018**
Previous corresponding period: **1 July 2017 to 31 December 2017**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

				\$'000
Revenue from ordinary activities	down by	20.6%	to	2,298
Loss after tax from continuing activities attributable to members	Increased by	70.85%	to	(381)
Net Loss attributable to members	increased by	70.85%	to	(381)

Dividends Paid and Proposed

The Board considers that no interim dividend will be paid

NET TANGIBLE ASSETS PER SHARE

	Half-year Ended 31 December 2018	Half-year Ended 31 December 2017
Net tangible assets per share	2.01 cents	3.87cents

EARNINGS PER SHARE

Basic earnings per share	(0.71 cents)	(0.41 cents)
Weighted average number of shares	53,837,027	53,736,779

CONTROL GAINED OR LOST OVER ENTITIES IN THE HALF YEAR

Subsidiaries

No changes to control over subsidiaries during the half year

Associates and joint venture entities

The Group has no associates or joint ventures

AstiVita Limited

ABN 46 139 461 733

Interim Financial Statements

For the Half Year Ended 31 December 2018

ABN 46 139 461 733

ASX Code: AIR

AstiVita Limited

ABN 46 139 461 733

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For the Half Year Ended 31 December 2018

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Directors' Report

For the Half Year Ended 31 December 2018

Your Directors present their report on AstiVita Limited ("AstiVita") for the half year ended 31 December 2018.

Directors

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

Names	Position
Lev Mizikovsky	Non-executive Chairman
Rade Dudurovic	Non-executive Director
Geoff Acton	Non-executive Director

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

Company secretaries

The following persons held the position of Joint Company Secretary at the end of the financial year:

- Geoff Acton (B.Com, CA, GAICD)
- Narelle Lynch ("Cert Gov Prac")

Principal activities and significant changes in nature of activities

During the half year the principal continuing activities of the Group consisted of sale of household products under one entity. The main household products are:

- Bathroom products
- Photovoltaic ("PV") panels
- Energy efficient hot water systems
- Kitchen appliances
- Other household products and consumables

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

Review of Operations and Results

AstiVita incurred an after tax loss of \$381k for the six months ended 31 December 2018 compared to a loss of \$223k in corresponding prior half.

The main reasons for the increase in the first half loss are due to:

- The reduction in panel sales with AIR unable to sell panels for 4 months because of an issue to its former panel supplier going into liquidation in July 2018.
- The reduction in sales to TWD due to the decline in the housing market.
- Costs associated with the move of premises from 172 Ingram Road Acacia Ridge to Rocklea.

On a positive note, AIR is anticipating an improved 2nd half result through the following Board initiatives:

- Panel sales have been restored through the sourcing of new panel suppliers.
- The introduction of new product lines outside traditional AIR revenue streams should positively impact AIR from March 2019.
- The introduction of sales of sunscreen should commence in FY19, and further cosmetic products sales in FY20.
- The rent free period to continue throughout the financial year.

Directors' Report

For the Half Year Ended 31 December 2018

As reported in the 30 June 2018 Annual Report, the supplier of our PV panels, has gone into liquidation and has been removed from the CEC approved panel list. As a consequence of this, we have raised a provision in the FY18 accounts for \$328,159 to reflect the balance of stock remaining in our inventory as at 30 June 2018. As a 31 December 2018, we are still in the process of finalising the issue with our insurers, however, we do anticipate the provision for obsolescence of these panels will be reversed in February 2019.

Significant changes in state of affairs

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

Dividends

The Board considers that no interim dividend will be paid.

Events after the reporting date

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

ASIC Corporations Instrument 2016/191 rounding of amounts

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

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2018 has been received and can be found on page 3 of the financial report.

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



Lev Mizikovsky

Non-executive Chairman

Dated 13 February 2019

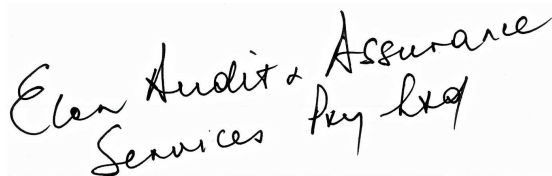
AstiVita Limited

ABN 46 139 461 733

Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 there have been no contraventions of:

- (i) the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) applicable code of professional conduct in relation to the review.



ECON AUDIT AND ASSURANCE SERVICES PTY LTD



GEORGE VENARDOS
Director

Dated in Sydney, this 13th day of February 2019

Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2018

		31 December 2018	31 December 2017
	Note	\$'000	\$'000
Revenue	3	2,298	2,893
Other income	3	103	130
Raw materials and consumables used		(1,670)	(1,984)
Employee benefits expense		(366)	(369)
Depreciation and amortisation expenses		(55)	(76)
Finance costs		(80)	(58)
Rental expense		(113)	(166)
Warranty costs		(183)	(142)
Advertising and marketing expenses		(8)	(27)
Legal fees		(5)	(9)
Doubtful debts written back / (off)		(6)	(5)
Directors fees		(24)	(24)
Freight out charges		(172)	(71)
Corporate costs		(55)	(71)
IT services		(27)	(39)
Product licenses and permit costs		(23)	(32)
Insurance charges		(53)	(48)
Inventory written back / (off)		37	(20)
Other expenses		(143)	(200)
Loss before income tax		(545)	(318)
Income tax benefit		164	95
Loss for the half year		(381)	(223)
Other comprehensive income			
Other comprehensive income for the half year		-	-
Total comprehensive income for the half year		(381)	(223)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(0.71)	(0.41)
Diluted earnings per share (cents)		(0.71)	(0.41)

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

Statement of Financial Position

As At 31 December 2018

		31 December 2018 \$'000	30 June 2018 \$'000
Note			
ASSETS			
CURRENT ASSETS			
	Cash and cash equivalents	146	195
4	Trade and other receivables	1,073	1,486
5	Inventories	3,258	3,152
	Other assets	538	209
	TOTAL CURRENT ASSETS	5,015	5,042
NON-CURRENT ASSETS			
	Property, plant and equipment	63	78
	Intangible assets	554	600
	Deferred tax assets	4,299	4,144
	TOTAL NON-CURRENT ASSETS	4,916	4,822
	TOTAL ASSETS	9,931	9,864
LIABILITIES			
CURRENT LIABILITIES			
	Trade and other payables	490	203
	Provisions	176	176
	Other financial liabilities	89	-
	TOTAL CURRENT LIABILITIES	755	379
NON-CURRENT LIABILITIES			
	Borrowings	3,086	3,006
	Provisions	37	37
	Deferred tax liabilities	117	125
	TOTAL NON-CURRENT LIABILITIES	3,240	3,168
	TOTAL LIABILITIES	3,995	3,547
	NET ASSETS	5,936	6,317
EQUITY			
	Issued capital	9,540	9,540
	Retained earnings	(3,604)	(3,223)
	TOTAL EQUITY	5,936	6,317

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

Statement of Changes in Equity

For the Half Year Ended 31 December 2018

	Ordinary Shares \$'000	Retained Earnings \$'000	Total \$'000
31 December 2018			
Balance at 1 July 2018	9,540	(3,223)	6,317
Cumulative adjustment upon change in accounting policies (AASB 15)	-	-	-
Comprehensive income for the year			
Loss for the half year	-	(381)	(381)
Other comprehensive income	-	-	-
Balance at 31 December 2018	9,540	(3,604)	5,936

	Ordinary Shares \$'000	Retained Earnings \$'000	Total \$'000
31 December 2017			
Balance at 1 July 2017	9,540	(2,382)	7,159
Retrospective adjustment upon change in accounting policies (AASB 15 and AASB 9)	-	-	-
Comprehensive income for the year			
Loss for the half year	-	(223)	(223)
Other comprehensive income	-	-	-
Balance at 31 December 2017	9,540	(2,605)	6,936

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

Statement of Cash Flows

For the Half Year Ended 31 December 2018

	31 December 2018 \$'000	31 December 2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers (including GST)	3,029	3,223
Payments to suppliers and employees (including GST)	(3,086)	(3,590)
Interest received	1	1
Interest paid	(80)	-
Income tax benefit / (paid)	1	-
Net cash used by operating activities	(135)	(366)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plant and equipment	6	-
Net cash provided by investing activities	6	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	80	310
Net cash provided by financing activities	80	310
Net decrease in cash and cash equivalents held	(49)	(56)
Cash and cash equivalents at beginning of half-year	195	200
Cash and cash equivalents at end of the half year	146	144

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

Notes to the Financial Statements

For the Half Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

This condensed interim financial report for the half year reporting period ended 31 December 2018 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of AstiVita Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group.

This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the half year ended 31 December 2018.

Rounding of amounts

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

Accounting Policies

Except as described below in Note 1, the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(b) New and Amended Standards Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period and the group had to change its accounting policies and consider making retrospective adjustments as a result of adopting the following standards:

- *AASB 9: Financial Instruments;*

This standard replaces AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for the calculation of impairment of financial assets and a new general hedge accounting requirements. It also carries forward guidance on recognition and derecognition of financial instruments from AASB 139. The Group completed its assessment of the implications of adopting this new standard and concluded that, due to the nature of the Group's operations, there has been no significant changes to the Group's accounting for financial instruments.

Notes to the Financial Statements

For the Half Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(b) New and Amended Standards Adopted by the Group (*continued*)

- *AASB 15: Revenue from Contracts with Customers.*

This new standard is based on the principle that revenue is recognized when control of a service, or goods, transfers to a customer. The Group completed its assessment of the implications of adopting this new standard and concluded that, due to the nature of the Group's operations, there has been no significant changes to the Group's revenue accounting.

(c) New Accounting Standards and Interpretations

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	30 June 2020	Significant revisions to accounting for operational leases on balance sheet completing its by Lessees of property and high assessment of the value equipment. However, effects of applying this exemptions for short-term leases and new standard on the leases of low value assets will reduce the impact.	The Group is currently financial statements, including the extent to which these commitments will result in the recognition of lease assets and liabilities for future lease payments and how this will affect the Group's net assets, profit and classification of cash flows.
AASB 2014 10 Amendments to Accounting Standards Sale or Contribution of Assets between an investor and its Associate or Joint Venture.	1 July 2018	The amendment addresses an inconsistency between the requirements in AASB 128 there has been a sale investment in Associates and Joint Ventures and AASB 10 consolidated assets between the Financial Statements and clarify that entity and its associate in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the asset sold or contributed constitutes a business.	This will only have the impact to the entity if there has been a sale or contribution of assets between the entity and its associate or joint venture.

Notes to the Financial Statements

For the Half Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(d) Going concern

The Directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and the settlement of liabilities in the ordinary course of business. This is deemed to be appropriate notwithstanding that the Company has incurred losses of \$381K (2017: 223K). As at 31 December 2018, the Company has net assets of \$5.936 million (30 June 2018: \$6.317 million).

The Company's ability to continue as a going concern is dependent on its ability to reverse the currently occurring losses by restructuring operations, increasing sales, realising the value inherent in inventory on-hand, recovering trade debtors and, if necessary, obtaining replacement debt or equity funding. Rainrose Pty Ltd, a related party has advanced \$3.085 million (30 June 2018: \$3.005 million). Rainrose Pty Ltd has confirmed it will continue to support the Company and advance further funds during FY19 if required.

At the date of this report and having considered the above factors, the Directors are confident of restructuring operations and sales and generating sufficient cashflows from operations so that the Company will be able continue as a going concern. There is still significant uncertainty whether the Company will continue its normal business activities and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Notes to the Financial Statements

For the Half Year Ended 31 December 2018

3 Revenue and Other Income

	31 December 2018 \$'000	31 December 2017 \$'000
Sales revenue		
- Bathroom products and kitchen appliances	1,496	1,513
- Solarpower products & REC's income	801	1,379
Other revenue		
- Interest	1	1
Total Revenue	2,298	2,893
Other Income		
- Foreign exchange gain	14	46
- Other income	89	84
- Total Other Income	103	130

4 Trade and other receivables

	31 December 2018 \$'000	30 June 2018 \$'000
CURRENT		
Trade receivables	1,121	1,534
Provision for impairment	(48)	(48)
	1,073	1,486
Total current trade and other receivables	1,073	1,486

5 Inventories

	31 December 2018 \$'000	30 June 2018 \$'000
CURRENT		
Finished goods- at cost	3,695	3,480
Less: Provision for obsolescence	(443)	(578)
Goods in transit	6	250
	3,258	3,152

Notes to the Financial Statements

For the Half Year Ended 31 December 2018

6 Dividends

No interim dividend will be payable.

7 Events Occurring After the Reporting Date

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

8 Related Parties

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

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

(a) The Group's main related parties are as follows:

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

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

Tamawood Limited and its controlled entities ("Tamawood"), SenterpriSys limited and CyberguardAU Pty Ltd are deemed to be related parties of AstiVita by virtue of Lev Mizikovsky, Non-executive Directors of Tamawood Limited, having a controlling interest in AstiVita. Advance NanoTek Ltd (ANO) (formerly Advanced Nano Technologies Ltd) is deemed to be related party by virtue of Lev Mizikovsky, Non-executive Director and Geoff Acton, Managing Director of ANO. Transactions between the Company and the above related parties are disclosed below.

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

(b) Loans to/from related parties

At the Annual General Meeting in November 2013, the shareholders unanimously approved an unsecured loan facility of up to \$2,000,000 with further advances above this amount available at the discretion of Rainrose Pty Ltd, an entity controlled by the Non-executive Chairman. As at 31 December 2018 the loan amounted to \$3.085 million. The loan is due for repayment in July 2022.

	Opening balance	Closing balance	Interest not charged	Interest paid/payable	Impairment
	\$'000	\$'000	\$'000	\$'000	\$'000
Loans from Rainrose Pty Ltd					
Half Year ended 31/12/2018	3,005	3,085	-	80	-
Year ended 30/06/2018	2,065	3,005	-	134	-

Notes to the Financial Statements

For the Half Year Ended 31 December 2018

(c) Transactions with related parties

(i) Sale of goods and services

	31 December 2018 \$	31 December 2017 \$
<i>Key management personnel:</i>		
Lev Mizikovsky		
- Sales to an entity controlled by Mr L Mizikovsky	24,500	16,610
<i>Related parties:</i>		
Tamawood Limited		
- Sales to Tamawood Ltd	362,599	789,795
Advance NanoTek Limited		
- Logistics and Accounting Support	89,500	68,632
SenterpriSys Limited		
- Administration Services and Logistics Support	1,500	40,562
CyberguardAU Pty Ltd		
- Administration Services	-	26,471

(ii) Purchase of goods and services

	31 December 2018 \$	31 December 2017 \$
<i>Key management personnel:</i>		
Lev Mizikovsky		
- Rental payments for premises to an entity controlled by Lev Mizikovsky	91,455	186,714
Geoff Acton		
- Administration services provided by an entity controlled by Geoff Acton	39,290	32,591
<i>Related parties:</i>		
Tamawood Limited		
- Advertising, IT and Accounting Services	18,000	13,002
Advance NanoTek Limited		
- Administration and Logistics Services	5,370	2,241

Notes to the Financial Statements

For the Half Year Ended 31 December 2018

	31 December 2018 \$	31 December 2017 \$
SenterpriSys Limited		
- IT Services	-	15,221
CyberguardAU Pty Ltd		
- Cybersecurity Services	-	8,520
-	-	-

(iii) Outstanding balances

	31 December 2018 \$	31 December 2017 \$
<i>Key management personnel:</i>		
Lev Mizikovsky		
- Amounts receivable for sales	-	1,867
- Amounts payable for purchases	-	-
Rade Dudurovic		
- Amounts receivable for sales	-	-
- Amounts payable for purchases	-	-
Geoff Acton		
- Amounts receivable for sales	-	-
- Amounts payable for purchases	-	400
<i>Related Parties:</i>		
Tamawood Limited		
- Amounts receivable for sales	-	125,361
- Amounts payable for purchases	1,136	1,090
Advance NanoTek Limited		
- Amounts receivable for sales	-	7,902
- Amounts payable for purchases	-	2,241
SenterpriSys Limited		
- Amounts receivable for sales	-	40,136
- Amounts payable for purchases	5,603	2,549
CyberguardAU Pty Ltd		
- Amounts receivable for sales	-	-
- Amounts payable for purchases	-	380

Notes to the Financial Statements

For the Half Year Ended 31 December 2018

9 Company Details

The registered office of the company is:

AstiVita Limited

172 Ingram Road

Acacia Ridge, QLD 4110

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standards including Accounting Standard AASB 134: *Interim Financial Reporting*; and *the Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the consolidated group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Lev Mizikovsky

Non-executive Chairman

Dated 13 February 2019

AstiVita Limited

ABN 46 139 461 733

Independent Auditor's Review Report to the Members of AstiVita Limited

We have reviewed the accompanying half-year financial report of AstiVita Limited, which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of comprehensive income, condensed statement of changes in equity and the condensed 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.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 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 AstiVita 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

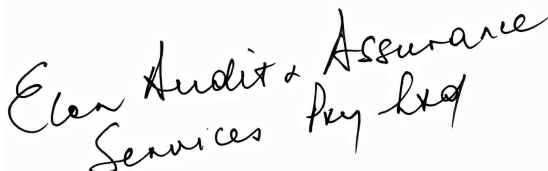
Conclusion

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 AstiVita Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Going concern

We draw attention to Note 1 (d) in the half-year financial report which indicates that the company incurred a net loss of \$381k during the half year ended 31 December 2018 and a net cash outflow from operating activities of \$135k. The directors continue to monitor the results arising from the restructuring operations since 1 July 2018 and are confident that the company will be able to maintain sufficient funds for its operations and commitments. The directors are also confident that funds can be secured if required from Rainrose Pty Ltd to enable the company to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. Our conclusion is not modified in respect of this matter.



ECON AUDIT AND ASSURANCE SERVICES PTY LTD



GEORGE VENARDOS
Director

Dated in Sydney, this 11th day of February 2019