Appendix 4D

Half-Year Report
For the period 1 July 2018 to 31 December 2018

Name of entity

Evans Dixon Limited

Australian Company Number	**Reporting Period**	**Previous Corresponding Period**
609 913 457	1 July 2018 to 31 December 2018	1 July 2017 to 31 December 2017

Results for announcement to the market

		31 December 2018 ($'000)
Total revenue * ("revenue from ordinary activities")	Down by 15.2% to	$125,485
Net operating profit for the period ** ("Profit from ordinary activites after tax attributable to members")	Down by 9.1% to	$12,359
Total comprehensive income ** ("net profit for the period attributable to members")	Down by 4.6% to	$12,960

Commentary on results

Refer to attached Half-Year Report including Director's Report. Additional Appendix 4D disclosure requirements can be found in the notes to these financial statements.

*Refer to note 3 in the Half-Year Report for explanation in change in contractual arrangements which has impacted Revenue (and Expenses) in equal and offsetting amounts.

**Refer to director's report for explanation of difference in effective tax rate between the comparative periods.

Dividends	**Amount per security**
Fully franked final dividend paid on 10 October 2018	6.0 cents
Interim dividend payable on 11 April 2019 (record date 2 April 2019)	5.0 cents
The Company's Dividend Reinvestment Plan (DRP) will apply to the interim dividend.	

Net tangible assets per share		
31/12/2018	$0.28	
31/12/2017	-$0.25	Note: this reflects a period where the company was a proprietary company that had a different capital structure

Earnings per share	**31 December 2018**
Basic earnings per share	5.6 cents
Diluted earnings per share	5.6 cents

Financial Report

This report is based on the condensed consolidated financial statements for the half-year ended 31 December 2018 which have been reviewed by Deloitte Touche Tohmatsu.

EVANS DIXON

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2018

Evans Dixon Limited
(ACN 609 913 457)

Contents

Directors' report

INTRODUCTION

The directors of Evans Dixon Limited (the 'Company') submit herewith the financial report of the consolidated entity comprising the Company and its controlled entities (herein referred to as the 'Group') for the half-year ended 31 December 2018. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The names of the directors of Evans Dixon Limited during or since the end of the half-year are:

- David Evans, Executive Chairman
- Alan Dixon, Managing Director and CEO
- David Crawford AO, Non-Executive Director
- Sally Herman, Non-Executive Director
- Josephine Linden, Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

OPERATING AND FINANCIAL REVIEW

Evans Dixon financial performance by operating segment

A$m	Wealth Advice	Corporate & Institutional	Funds Management	Corporate Unallocated	Total
Net revenue	44.1	31.0	35.1	-	110.2
Underlying EBITDA	7.6	13.4	9.0	(6.7)	23.3
Underlying NPATA					15.0

Notes:

1. Net revenue is defined as gross revenue less of cost of sales including trading execution, clearing and settlement costs, commissions paid relating to real estate brokerage services, costs directly incurred in the provision of construction, project management, design and architectural services.

2. Underlying EBITDA adjusts for one off or non-recurring items. See reconciliation in Non-IFRS information section for further information.

3. Underlying NPATA is defined as underlying net profit after tax, amortisation of acquired intangibles and one off or non-recurring items. See reconciliation in Non-IFRS information section for further information.

Directors' report *(cont.)*

GROUP PERFORMANCE

The Group recorded total revenues (excluding interest) of $124.9 million with net revenues of $110.2 million after deducting cost of sales for the half-year to 31 December 2018. Net revenues were up 3% on the $107.2 million from the prior corresponding period.

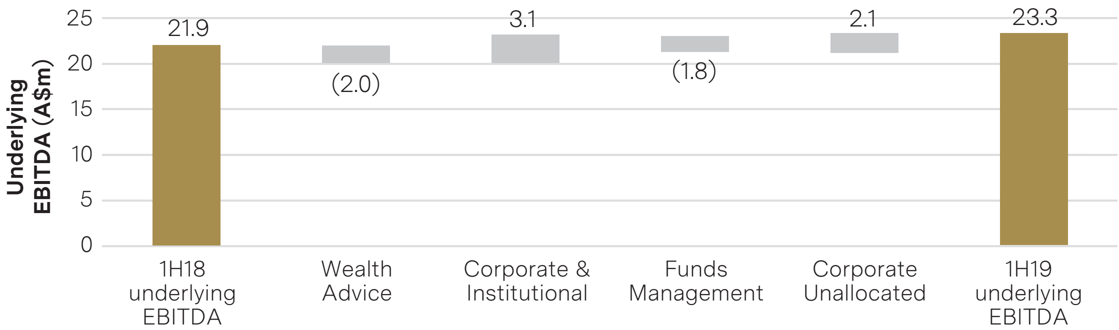
The Group recorded underlying EBITDA of $23.3 million which was up 6% on the prior corresponding period of $21.9 million. The Group's underlying EBITDA margin of 21% compared to the prior corresponding period of 20%.[1]

The increase in underlying EBITDA to the prior corresponding period is due to the positive contribution from the Corporate & Institutional segment and a reduction in Corporate Unallocated costs. The outperformance by the Corporate & Institutional segment was driven by ongoing growth in institutional equities and from the contribution of corporate advisory services following the acquisition of Fort Street Advisers in September 2018.

Underlying net profit after tax before amortisation of acquired intangibles was $15.0 million, in line with the prior corresponding period. This resulted in underlying earnings per share of 6.8 cents, calculated using weighted shares outstanding of 221.3 million for the period to 31 December 2018.

The consolidated profit of the Group after providing for income tax for the half-year ended 31 December 2018 was $12.4 million compared to $13.6 million for the prior corresponding period. The effective tax rate for the prior period ended 31 December 2017 benefited from the receipt of a fully franked dividend from the Group's Fort Street Real Estate Capital joint venture, arising from a performance fee realised in the Fort Street Real Estate Capital Fund I. The 1H19 effective tax rate was also higher due to greater non-deductible expenses relating to executive restraint covenants, the acquisition of Fort Street Advisers and the Group's employee share scheme. As the majority of the Group's earnings are presently derived from Australian operations we expect the future effective tax rate to be similar to that realised in the current period.

Segment contribution to underlying EBITDA versus prior corresponding period



[1] Underlying EBITDA margin is defined as underlying EBITDA divided by net revenue

NON-IFRS INFORMATION

We disclose certain financial measures such as net revenue, underlying EBITDA and underlying NPATA which are not prepared in accordance with IFRS and are therefore considered 'non-IFRS' financial measures. The Directors believe that the non-IFRS financial information provides useful information to investors because management uses this information, in addition to financial data prepared in accordance with IFRS, to attain a more transparent understanding of the business' performance. We use non-IFRS measures consistently in our internal planning and forecasting, reporting and ongoing business management.

Our non-IFRS financial measures reflect adjustments for items that the Directors consider are one-off or non-recurring in nature. The table below sets out the adjustments to EBITDA and NPAT that were made for 1H19 and 1H18.

Underlying reconciliation

A$m	1H19	1H18
EBITDA	22.1	22.3
Public company costs	-	(0.4)
Other acquisition related expenses	1.2	-
Underlying EBITDA	**23.3**	**21.9**
Statutory NPAT	12.4	13.6
Amortisation of acquired intangibles (after tax)	1.7	0.5
Public company and other acquisition related expenses (after tax)	0.9	0.9
Underlying NPATA	**15.0**	**15.0**

The 1H19 underlying EBITDA adjustments include $1.2 million in expenses relating to the acquisition of Fort Street Advisers, due diligence expenses and other pre-acquisition expenses relating to Evans & Partners ($0.9 million after tax). 1H18 has been adjusted for $0.4 million in additional costs expected to have been incurred as a public company including ASX listing fees and additional Directors' fees had the Company been listed from 1 July 2017 (-$0.2 million after tax). Additional 1H18 after tax adjustments include $1.1 million in interest expenses relating to the Company's previous corporate debt facility. 1H19 underlying NPATA after tax adjustments also include $1.7 million relating to amortisation of intangible assets that arose from the merger with Evans & Partners, acquisition of Fort Street Advisers and the company's IPO (1H18: $0.5 million).

BUSINESS SEGMENT OVERVIEW

WEALTH ADVICE

Wealth Advice net revenue for the period was $44.1 million, down 9% on the prior corresponding period of $48.2 million. Underlying EBITDA of $7.6 million for the period was down 21% on the prior corresponding period of $9.6 million. Wealth Advice revenue excluding Brokerage and Other Capital Markets activity was up 5% on 1H18. However, market volatility led to a reduction in capital market opportunities, with a number of offers flagged to occur in the December quarter not proceeding.

Funds under advice (FUA) growth was supported by robust fund flows despite a global market retreat over 1H19 with $17.9 billion in FUA at 31 December 2018, down 2% on 30 June 2018, however up 1% on the prior comparable period. During the period, the business continued to invest in client focused advice technologies (advice and workflow delivery system) which are expected to drive greater customer engagement, adviser productivity, compliance and allow the business to effectively implement regulatory changes.

CORPORATE & INSTITUTIONAL

Corporate & Institutional net revenue for the period was $31.0 million, up 27% on the prior corresponding period of $24.4 million. Underlying EBITDA of $13.4 million for the period was up 30% on the prior corresponding period of $10.3 million. Capital Markets secured arranger and lead manager roles on a number of key deals, although 1H19 was subdued partially due to timing of deal flow and market volatility.

Following the acquisition of Fort Street Advisers in September 2018, integration into the Group has been successful and already delivering ahead of expectations. The 1H19 corporate advisory pipeline has also been substantially delivered. Over the period Corporate & Institutional continued to grow market recognition of its specialised sector focused research and sales capabilities, driving improvement in ongoing small-cap penetration and deal flow for institutional business. Institutional broking revenue was also substantially up on the prior corresponding period.

FUNDS MANAGEMENT

Funds Management net revenue for the period was $35.1 million, up 1% on the prior corresponding period of $34.6 million. Underlying EBITDA of $9.0 million for the period was down 17% on the prior corresponding period of $10.8 million. No performance fees were recognised in 1H19, noting 1H18 benefited from the recognition of a performance fee relating to Fort Street Real Estate Capital Fund I. Further, in 1H19 the funds management business internalised a number of additional expenses relating to the ongoing management of the funds and investment strategies, resulting in an increase in costs over the period.

Gross funds under management (FUM) grew $744 million (14%) to $5.9 billion since December 2017. Funds management also launched a new Global Healthcare strategy in November 2018. Overall, base management fees were up 14% on the prior corresponding period driven by FUM growth and an expansion of the product suite throughout FY18.

DIVIDENDS

Fully franked dividends of $13.5 million (2017: $3.1 million) were paid to shareholders during the period as follows:

- 6 cents per share paid on 10 October 2018 amounting to $13.5 million

The Board has declared an interim dividend for FY19 of 5 cents per share which represents 74% of underlying NPATA for the period and is in line with the FY18 interim dividend. The Board remiains committed to an annual target dividend payout ratio of 75–85% of underlying NPATA.

BALANCE SHEET AND CAPITAL

During the period, there were the following notable movements in the Company's balance sheet and capital:

- Acquired 100% of Fort Street Advisers and made an investment in joint venture Fort Street Capital. Consideration was in the form of $23.4 million cash and issuance of 14.3 million shares ($30.5 million equity at $2.13 per share).
- Acquired shares for the Group's employee loan funded share plan representing $7.1 million.

As at 31 December 2018, Evans Dixon had net assets of $224.6 million and a strong cash position of $52.5 million.

Evans Dixon has a strong net asset position and a flexible balance sheet with which to further pursue growth opportunities going forward. We are taking a disciplined approach to this task and will invest only where we see outstanding opportunities that fit the culture and ethos of our firm.

Summarised consolidated financial position

A$m	1H19	2H18	1H18	Variance to 2H18	Variance to 2H18 %
Cash and cash equivalents	52.5	89.1	33.8	-36.6	-41.1%
Intangibles	160.5	117.9	108.6	42.6	36.1%
Trade and other receivables	26.1	30.2	17.5	-4.1	-13.6%
Other assets	52.8	34.5	35.9	18.3	53.0%
Total assets	**291.9**	**271.7**	**195.8**	**20.2**	**7.4%**
Borrowings	-	-	55.8	-	-
Trade and other payables	11.8	17.4	15.5	-5.6	-32.2%
Other liabilities	55.5	52.6	55.0	2.9	5.5%
Total liabilities	**67.3**	**70.0**	**126.3**	**-2.7**	**-3.9%**
Net assets	**224.6**	**201.7**	**69.5**	**22.9**	**11.4%**

SUBSEQUENT EVENTS

On 1 February 2019 the Final Report from The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was presented to the Governor-General. The Report sets out 76 policy recommendations to strengthen protections for consumers, enhance accountability, ensure strong and effective financial system regulators and further improve consumer access to redress. Evans Dixon management are currently working through the matters raised in the Report. The impact of these to the financial services industry and the Group will take time to be properly understood.

Since the end of the financial period, the directors resolved to declare an interim dividend of 5.0 cents per share franked to 100%. The dividend will be paid to eligible shareholders on 11 April 2019. The record date for dividend entitlement is 2 April 2019.

Other than the matters referred above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 11 of the half-year report.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors,

David Evans
Director

Alan Dixon
Director

Dated: 25th February 2019

Auditor's independence declaration

Deloitte.

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The Board of Directors
Evans Dixon Limited
Level 15
100 Pacific Highway
NORTH SYDNEY NSW 2060

25 February 2019

Dear Board Members

Evans Dixon Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Evans Dixon Limited.

As lead audit partner for the half-year review of the financial report of Evans Dixon Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants

Condensed consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2018

	Notes	Half-year ended 31 December 2018 $'000	Half-year ended 31 December 2017 $'000
Revenue			
Provision of services	3	119,784	141,386
Interest		606	134
Share of profits of associates and jointly controlled entities		1,750	4,367
Other income		3,345	2,060
Total revenue		**125,485**	**147,947**
Expenses			
Employee benefits expense		(62,076)	(65,281)
Property design, renovation and maintenance expense		(6,696)	(29,821)
Administrative expense		(6,228)	(6,244)
Occupancy expense		(3,803)	(4,595)
Advertising expense		(1,523)	(1,635)
Depreciation and amortisation expense		(5,143)	(2,889)
Information technology expense		(4,638)	(4,298)
Rebates and commissions expense		(7,633)	(5,826)
Travel and accommodation expense		(1,083)	(1,030)
Venue and equipment hire expense		(1,128)	(785)
Finance costs		(9)	(1,717)
Public company costs		(839)	-
Business acquisition costs		(333)	-
Other expenses		(6,779)	(6,048)
Total expenses		**(107,911)**	**(130,169)**
Profit before income tax expense		**17,574**	**17,778**
Income tax expense		(5,215)	(4,176)
Profit for the period		**12,359**	**13,602**
Other comprehensive income/(loss), net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		601	(163)
Effective portion of changes in fair value of cash flow hedge		-	142
Other comprehensive income/(loss) for the period, net of income tax		601	(21)
Total comprehensive income for the period		**12,960**	**13,581**
Earnings per share			
Basic (cents per share)		5.6	8.6
Diluted (cents per share)		5.6	8.6

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

Condensed consolidated statement of financial position

As at 31 December 2018

	Notes	31 December 2018 $'000	30 June 2018 $'000
Assets			
Current assets			
Cash and cash equivalents		52,479	89,147
Trade and other receivables		25,977	30,020
Current tax assets		2,069	516
Inventories		134	139
Prepayments		3,092	1,280
Total current assets		**83,751**	**121,102**
Non-current assets			
Investments accounted for using the equity method	5	19,761	6,701
Financial assets		1,393	903
Property, plant and equipment		19,475	19,563
Goodwill and other indefinite life intangible assets	7	138,036	94,945
Finite life intangible assets		22,463	22,976
Investment property		1,589	1,589
Trade and other receivables		167	167
Deposits		3,913	3,047
Prepayments		1,317	752
Total non-current assets		208,114	150,643
Total assets		**291,865**	**271,745**
Liabilities			
Current liabilities			
Trade and other payables		11,806	17,362
Contract liabilities		15,759	14,716
Provisions		27,429	25,064
Other current liabilities		518	500
Total current liabilities		**55,512**	**57,642**
Non-current liabilities			
Provisions		2,990	2,751
Other non-current liabilities		4,672	5,439
Deferred tax liabilities		4,093	4,261
Total non-current liabilities		11,755	12,451
Total liabilities		**67,267**	**70,093**
Net assets		**224,598**	**201,652**
Equity			
Share capital	6	322,367	298,970
Reorganisation reserve		(135,099)	(135,099)
Foreign currency translation reserve		3,525	2,924
Share based payment reserve		119	-
Retained profits		33,686	34,857
Total equity		**224,598**	**201,652**

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

Condensed consolidated statement of changes in equity

For the half-year ended 31 December 2018

	Share capital $'000	Reorganisation reserve $'000	Cash flow hedge reserve $'000	Foreign currency translation reserve $'000	Share based payments reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2017	162,710	(135,099)	(425)	2,460	-	29,427	59,073
Profit after income tax expense for the period	-	-	-	-	-	13,602	13,602
Other comprehensive income/(loss) for the period, net of tax	-	-	142	(163)	-	-	(21)
Total comprehensive income/(loss) for the period	-	-	142	(163)	-	13,602	13,581
Transactions with owners in their capacity as owners:							
Dividends paid	-	-	-	-	-	(3,135)	(3,135)
Balance at 31 December 2017	**162,710**	**(135,099)**	**(283)**	**2,297**	**-**	**39,894**	**69,519**
Balance at 1 July 2018	298,970	(135,099)	-	2,924	-	34,857	201,652
Profit after income tax expense for the period	-	-	-	-	-	12,359	12,359
Other comprehensive income for the period, net of tax	-	-	-	601	-	-	601
Total comprehensive income for the period	-	-	-	601	-	12,359	12,960
Transactions with owners in their capacity as owners:							
Issue of shares	30,519	-	-	-	-	-	30,519
Treasury shares acquired	(7,122)	-	-	-	-	-	(7,122)
Equity-settled share-based payments	-	-	-	-	119	-	119
Dividends paid	-	-	-	-	-	(13,530)	(13,530)
Balance at 31 December 2018	**322,367**	**(135,099)**	**-**	**3,525**	**119**	**33,686**	**224,598**

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

Condensed consolidated statement of cash flows

For the half-year ended 31 December 2018

	Notes	Half-year ended 31 December 2018 $'000	Half-year ended 31 December 2017 $'000
Cash flows from operating activities			
Receipts from customers		136,506	156,992
Payments to suppliers and employees		(121,708)	(135,837)
Interest received		606	134
Interest paid		(9)	(1,530)
Income taxes paid		(7,622)	(7,336)
Net cash generated by operating activities		**7,773**	**12,423**
Cash flows from investing activities			
Cash acquired on purchase of subsidiary		1,969	-
Acquisition of subsidiary	8	(20,403)	-
Payments for investments in jointly controlled entities		(3,558)	-
Purchase of property, plant and equipment		(1,299)	(1,770)
Proceeds from sale of property, plant and equipment		15	2
Development of intangible assets (software)		(1,356)	(934)
Purchase of financial assets		(71)	(104)
Dividends received from associate entities		751	4,751
Net proceeds from transactions with associate entities		-	51
Net cash (used in)/generated by investing activities		**(23,952)**	**1,996**
Cash flows from financing activities			
Repayment of borrowings		-	(11,000)
Dividends paid		(13,530)	(3,136)
Purchase of treasury shares	6	(7,122)	-
Net cash used in financing activities		**(20,652)**	**(14,136)**
Net (decrease)/increase in cash and cash equivalents		(36,831)	283
Cash and cash equivalents at the beginning of the period		89,147	33,543
Effect of exchange rate fluctuations on cash held		163	(49)
Cash and cash equivalents at the end of the period		**52,479**	**33,777**

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

Notes to the condensed consolidated financial statements

1. SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and *AASB 134 'Interim Financial Reporting'*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34 'Interim Financial Reporting'*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of investment properties and certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2018, except for the impact of the Standards and Interpretations adopted for the first time during the current period as described below. The changes in accounting policies will also be reflected in the Group's consolidated financial statements as at and for the year ending 30 June 2019. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group is an entity of the kind referred to in *ASIC Corporations (Rounding in Financials/ Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise noted.

AMENDMENTS TO ACCOUNTING STANDARDS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT REPORTING PERIOD

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2018. The new standards adopted relevant to the Group's operations include *AASB 9 'Financial Instruments'* and *AASB 15 'Revenue from Contracts with Customers'*. The adoption of these standards did not have any material impact on the financial statements, however the following accounting policy changes are noted with respect to *AASB 9*:

- moving from an incurred loss model to an expected loss model in respect of financial assets, principally being trade receivables. The directors have assessed that in view of the absence of any material historical impairment losses, and in further consideration of the short term nature of the receivables and the credit worthiness of its customers, no material change in the impairment provisions are expected as a result of the change in policy.
- receivables that are measured at amortised costs will be required to meet the solely payment of principle and interest criteria and be held to collect the contractual cash flows rather than the previous criteria of being fixed and determinable and not quoted in an active market. This change in criteria has not resulted in a change in the measurement of the receivables which continue to be measured at amortised cost.

NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS AND INTERPRETATIONS ON ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, interpretations and amendments that have been issued but not yet effective, and are relevant to its operations:

Standard/interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 'Leases'	1 January 2019	30 June 2020

AASB 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. *AASB 16* will supersede the current lease guidance including *AASB 117 'Leases'* and the related interpretations when it becomes effective.

Notes to the condensed consolidated financial statements *(cont.)*

AASB 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and are replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases or leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under *AASB 117* are presented as operating cash flows; whereas under the *AASB 16* model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

Furthermore, extensive disclosures are required by *AASB 16*.

The Group has started an initial assessment of the potential impact on its consolidated financial statements. So far, the most significant impact identified is that the Group will recognise new assets and liabilities for the operating leases of its premises. In addition, the nature of the expenses related to those leases will now change as *AASB 16* replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. The Group has not yet decided whether it will use the optional exemptions. It is not practicable to provide a reasonable estimate of the financial effect until the directors complete the review. As at the end of the reporting period, the Group has non-cancellable operating lease commitments of $67,998,901. The amount ultimately reflected will be based upon the leases in place at 30 June 2019.

2. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Board of Directors (CODM) for the purposes of resource allocation and assessment of performance is more specifically focused on the category of services provided to customers and the wider economic circumstances and market forces within which each segment operates. As such, the principal categories of services provided to customers as reported to and assessed by the CODM in the current reporting period, which represent the Group's reportable segments under *AASB 8* are:

- Wealth Advice
- Corporate & Institutional (formerly 'Capital Markets')
- Funds Management

Wealth Advice relates to the provision of full-service investment advisory, financial strategy, portfolio administration and stockbroking services to affluent self-managed superannuation trustees, retail clients, wholesale clients and high net worth individuals and the provision of share transaction arrangement and handling services.

Corporate & Institutional relates to the provision of stockbroking and investment advisory services to institutional clients and advice to corporations on mergers, acquisitions, equity and debt capital market transactions.

Funds Management relates to the provision of investment management services, fund accounting and administration services, Responsible Entity services to managed investment schemes and provision of ancillary services to client operations including construction, project management, design and architectural services and other real estate services.

Corporate unallocated is the aggregation of corporate activities that do not fall under any of the above three segments as they do not engage in business activities that may earn revenue and there is no basis to accurately allocate expenses to the three operating segments in order for the CODM to reliably assess performance or allocate resources within the operating segments. Therefore, this category is not a reportable segment as defined within *AASB 8*, but is included below in order for the total amounts to reconcile to the condensed consolidated statement of profit or loss and other comprehensive income as contained earlier in this report.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Notes to the condensed consolidated financial statements *(cont.)*

The following is an analysis of the Group's revenue and results by reportable operating segment for the half-year under review:

	Wealth Advice $'000	Corporate & Institutional $'000	Funds Management $'000	Corporate Unallocated $'000	Total $'000
Half-year ended 31 December 2018					
Revenue					
Provision of services	46,057	34,408	39,319	-	119,784
Recognised as follows:					
At a point in time	10,444	32,476	3,707	-	46,627
Over time	35,613	1,932	35,612	-	73,157
Share of profits of associates and jointly controlled entities	51	-	1,699	-	1,750
Other income	151	-	3,194	-	3,345
Total revenue (excluding interest)	**46,259**	**34,408**	**44,212**	**-**	**124,879**
Direct expenses					
Total direct expenses	(28,800)	(16,071)	(28,692)	-	(73,563)
Overhead expenses					
Total overhead expenses	(7,345)	(2,553)	(5,200)	-	(15,098)
Allocated staff expenses					
Total allocated staff expenses	(2,473)	(2,358)	(1,367)	-	(6,198)
Unallocated group staff expenses					
Total unallocated group staff expenses	-	-	-	(6,731)	(6,731)
Unallocated group other expenses					
Total unallocated group other expenses	-	-	-	(1,169)	(1,169)
Earnings before interest, taxation, depreciation and amortisation	**7,641**	**13,426**	**8,953**	**(7,900)**	**22,120**
Depreciation and amortisation expense	-	-	-	(5,143)	(5,143)
Earnings before interest and taxation	**7,641**	**13,426**	**8,953**	**(13,043)**	**16,977**
Interest revenue	-	-	-	606	606
Finance costs	-	-	-	(9)	(9)
Profit before taxation	**7,641**	**13,426**	**8,953**	**(12,446)**	**17,574**
Income tax expense					(5,215)
Net profit after taxation					**12,359**

Notes to the condensed consolidated financial statements *(cont.)*

	Wealth Advice $'000	Corporate & Institutional $'000	Funds Management $'000	Corporate Unallocated $'000	Total $'000
Half-year ended 31 December 2017					
Revenue					
Provision of services	49,600	25,032	66,754	-	141,386
Recognised as follows:					
At a point in time	15,574	24,153	4,761	-	44,488
Over time	34,026	879	61,993	-	96,898
Share of profits of associates and jointly controlled entities	-	-	4,367	-	4,367
Other income	21	3	2,036	-	2,060
Total revenue (excluding interest)	**49,621**	**25,035**	**73,157**	**-**	**147,813**
Direct expenses					
Total direct expenses	(31,179)	(10,960)	(55,989)	-	(98,128)
Overhead expenses					
Total overhead expenses	(6,720)	(1,715)	(4,771)	-	(13,206)
Allocated staff expenses					
Total allocated staff expenses	(2,162)	(2,037)	(1,585)	-	(5,784)
Unallocated group staff expenses					
Total unallocated group staff expenses	-	-	-	(8,430)	(8,430)
Unallocated group other expenses					
Total unallocated group other expenses	-	-	-	(15)	(15)
Earnings before interest, taxation, depreciation and amortisation	**9,560**	**10,323**	**10,812**	**(8,445)**	**22,250**
Depreciation and amortisation expense	-	-	-	(2,889)	(2,889)
Earnings before interest and taxation	**9,560**	**10,323**	**10,812**	**(11,334)**	**19,361**
Interest revenue	-	-	-	134	134
Finance costs	-	-	-	(1,717)	(1,717)
Profit before taxation	**9,560**	**10,323**	**10,812**	**(12,917)**	**17,778**
Income tax expense					(4,176)
Net profit after taxation					**13,602**

3. REVENUE

Provision of services revenue

	Half-year ended 31 December 2018 $'000	Half-year ended 31 December 2017 $'000
At a point in time		
Advisory, administration and brokerage	20,073	16,387
Corporate revenue	22,848	23,339
Funds management	3,706	4,762
Total revenue earned at a point in time	46,627	44,488
Over time		
Advisory and administration	32,209	31,368
Corporate revenue	1,393	-
Funds management (ii)	22,111	25,988
Project service fees (i)	17,444	39,542
Total revenue earned over time	73,157	96,898
Total provision of services revenue	**119,784**	**141,386**

(i) Effective 1 July 2018, the Group changed its contractual arrangements with US Masters Residential Property Fund (US Masters) relating to the provision of construction and development services. Prior to 30 June 2018 the Group engaged directly with 3rd parties as a principal in the provision of these services and charged US Masters on a cost plus fixed mark-up basis. Since 1 July 2018 the arrangement has changed such that US Masters now engages directly as principal with 3rd party suppliers including settlement of charges rendered, and the Group separately charges its fee for its supervisory services.

As a result of the change in contractual arrangements, revenue which was previously recognised by the Group on a gross billing amount in respect of services provided (representing cost incurred plus fixed mark-up), under the new arrangement is recognised only on the service fee it charges (representing fixed mark-up percentage on costs incurred by US Masters).

There is also a corresponding equal reduction in 'Property design, renovation and maintenance expense' relating to the provision of these services. In this regard, the amount recognised in the prior period (half-year ended 31 December 2017) as 'Project service fees' and 'Property design, renovation and maintenance expense' was $27.1 million respectively.

It is noted that project service fee arrangements for customers other than US Masters have remained unchanged. The Group acts as Principal in respect of such arrangements and therefore records the project service fee revenue and associated expenses on a gross incurred basis.

ii) Effective 1 July 2018, the Group also changed its arrangements with US Masters in respect of the provision of payroll and associated services. Prior to this date, the Group, in an employer capacity, incurred payroll costs and charged these costs back to US Masters, inclusive of a margin.

From 1 July 2018, US Masters incurred these costs directly in an employer capacity and performs all associated administrative HR and Payroll functions. The Group no longer charges any applicable service fee. These changes resulted in an offsetting reduction in 'Funds management revenue' and 'Employee benefit expense'. In this regard, the amount recognised in the prior period (half-year ended 31 December 2017) as 'Funds management revenue' and 'Employee benefit expense' was $4.2 million respectively.

REVENUE RECOGNITION

Revenue from the rendering of services is recognised upon delivery of the services to the Group's customers. Prepaid amounts received in advance of the provision of services are recorded as a liability in the financial statements and are then recognised in profit or loss over the service period. Prepaid amounts are not considered to represent a financing transaction due to the nature and timing of such transactions. The Group's major categories of revenue from the rendering of services includes:

- **Advisory, administration and brokerage** includes financial strategy advice and estate planning advice where revenue is generally charged on a time incurred basis and recognised at the point in time the service is provided, as well as brokerage commissions where revenue is recognised at the point in time when the trade transaction is settled. Also included within this category is asset and investment management advisory and SMSF accounting and tax services where revenue is recognised on a straight-line basis over the period the services are performed;
- **Corporate revenue** includes debt and equity capital raising services and structuring and arranging services in relation to IPOs and secondary raisings where revenue is recognised at the point in time the shares associated with the raisings are allotted or the debt arrangement is finalised, as well as institutional brokerage commissions where revenue is recognised at the point in time the trade transaction is settled;
- **Funds management** includes Responsible Entity and administration services, investment management and accounting services where revenue is recognised on a straight-line basis over the period the services are performed. Also included within this category is asset management services where revenue is recognised at the point in time the purchase price is settled (in respect of asset acquisition fees) and when sale proceeds are receipted (in respect of asset disposal fees). Additionally, performance services revenue is recognised when it is reliably measurable (when there is a high probability of no significant reversal), generally being when capital plus minimum hurdle has been returned to underlying investors; and
- **Project service fees** includes design, architectural and project management services where revenue is generally recognised on a time incurred and charged basis for design and architectural services and progressively over time based on costs incurred for large-scale projects as the customer obtains the benefits of the services and the Group has an enforceable right to compensation.

4. DIVIDENDS

During the half-year, Evans Dixon Limited made the following dividend payments:

	Half-year ended 31 December 2018		Half-year ended 31 December 2017	
	Cents per share	Total $'000	Cents per share	Total $'000
Fully paid ordinary shares				
Pre-IPO dividend	-	-	2 cents	3,136
Final dividend for the year ended 30 June 2018	6 cents	13,530	-	-
		13,530		**3,136**

5. INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

On 7 September 2018, the Group acquired a 100% interest in the capital of Fort Street Advisers Pty Limited (now known as Evans Dixon Corporate Advisory Pty Limited). Refer to Note 8 for further details.

Through this acquisition, the Group acquired a 20% interest in the capital of Fort Street Capital Pty Limited, and through a second simultaneous acquisition it acquired a further 30% interest in the capital of the company. The Group's 50% interest held in Fort Street Capital meets the classification as a 'jointly controlled' entity and hence is subject to equity accounting.

As part of the above transactions, the Group also indirectly acquired an additional 25% economic interest in existing joint venture entities Fort Street Real Estate Capital ('FSREC') and Fort Street Real Estate Services ('FSRES'), taking its total economic interest in these entities to 75%. Whilst the Group now holds a 75% economic interest in FSREC and FSRES, the investment continues to be jointly controlled and hence continues to be recognised as 'jointly controlled' entities subject to equity accounting.

	31 December 2018 $'000	30 June 2018 $'000
Investments in associates	597	602
Investments in jointly controlled entities	19,164	6,099
	19,761	**6,701**

Reconciliation of movement in investments accounted for using the equity method

	31 December 2018 $'000
Balance at 1 July 2018	6,701
Share of profits of associates and jointly controlled entities	1,750
Acquisition of investments in associates and jointly controlled entities	12,078
Dividends received from associate entities	(750)
Foreign exchange impact of investments held which are denominated in foreign currency	(18)
Balance at 31 December 2018	**19,761**

Details of the Group's associates and jointly controlled entities at the end of the reporting period are:

		Ownership interest	
Name	Principal place of business/Country of incorporation	31 December 2018 %	30 June 2018 %
Associates of Evans Dixon Limited			
Evans Dixon Law Pty Limited	Australia	49%	49%
US Select Private Opportunities Fund II, GP LLC	USA	50%	50%
US Select Private Opportunities Fund III, GP LLC	USA	42.5%	42.5%
US Select Private Opportunities Fund IV, GP LLC	USA	42.5%	42.5%
US Select Direct Private Equity, GP LLC	USA	42.5%	42.5%
Jointly controlled entities of Evans Dixon Limited			
Fort Street Real Estate Capital Pty Limited	Australia	75%	50%
Fort Street Real Estate Services Pty Limited	Australia	75%	50%
Fort Street Capital Pty Limited	Australia	50%	-
Laver Place Sub Pty Limited	Australia	33.3%	33.3%
Dixon Associates PE III Wholesale Fund*	USA	66.7%	66.7%
515 West 168th Venture LLC	USA	50%	50%
30–58/64 34th Street Venture LLC	USA	50%	50%
523 West 135th Street Venture LLC	USA	50%	50%

**Despite the Group holding a majority shareholding in Dixon Associates PE III Wholesale Fund, by virtue of the Fund's Constitution control is vested in the Trustee. The Group does not control the Board of the Trustee (it has 50% representation), nor is it able to remove the Trustee and accordingly it does not exercise control over the Fund.*

All of the above associates and jointly controlled entities are accounted for using the equity method in these condensed consolidated financial statements.

6. ISSUES, REPURCHASES AND REPAYMENTS OF EQUITY SECURITIES

Issued capital as at 31 December 2018 amounted to $329,489,676 (228,428,179 ordinary shares).

	Number of shares	Share capital $
Balance as at 1 July 2017	158,099,690	162,709,500
Other transactions with shareholders – 30 November 2017	-	820,499
Issue of shares – 22 February 2018	4,000,000	5,440,000
Issue of shares – 8 May 2018	52,000,000	130,000,000
Balance as at 30 June 2018	**214,099,690**	**298,969,999**
Issue of shares – 7 September 2018	14,328,489	30,519,677
Balance of Issued share capital as at 31 December 2018	228,428,179	329,489,676
(Less): treasury shares acquired/held by Group entities (refer Note 9)	(3,436,700)	(7,122,479)
Balance of share capital as at 31 December 2018	**224,991,479**	**322,367,197**

7. GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

The movement during the period in goodwill and other indefinite life intangible asset balances is shown below:

	Goodwill $'000	Brands $'000	Total $'000
Balance at 1 July 2018	63,345	31,600	94,945
Business acquisition – Fort Street Advisers (i)	43,091	-	43,091
Balance as at 31 December 2018	**106,436**	**31,600**	**138,036**

(i) The purchase price allocation in respect of the Fort Street Advisers acquisition consideration (refer Note 8), including the allocation to different cash generating units (CGU's) within the Group that are expected to benefit from synergies resulting from the acquisition, has only been determined on a 'provisional' basis as at 31 December 2018. The provisional purchase price allocation exercise will be finalised by the year-end reporting date of 30 June 2019.

The CGU's/groups of CGU's that have been identified as the lowest level at which goodwill and other indefinite life intangible assets are monitored for internal management purposes and which is consistent with the level at which the CODM assesses performance and makes resource decisions are as follows:

	31 December 2018 $'000	30 June 2018 $'000
Wealth Advice	39,265	39,265
Corporate & Institutional *	95,132	52,041
Funds Management	3,639	3,639
	138,036	**94,945**

**Includes provisional allocation of Goodwill in respect of the Fort Street Advisers acquisition to the Corporate & Institutional CGU.*

There are no indicators of impairment as at 31 December 2018 in respect of allocated goodwill and other indefinite life intangible assets amounts.

8. ACQUISITION OF SUBSIDIARY

On 7 September 2018, the Group acquired 100% of the ordinary shares of Fort Street Advisers Pty Limited (now known as Evans Dixon Corporate Advisory Pty Limited) - the 'Acquiree'. The Acquiree is an Australian corporate advisory firm, advising to a range of clients across mergers and acquisitions, equity capital markets and debt advisory. The strategic rationale of the acquisition included:

- establishment of corporate advisory and enhanced capital markets platform;
- increased exposure to strong performing specialist real estate fund manager;
- expanded industry and sector capabilities; and
- cultural and ethical fit.

CONSIDERATION TRANSFERRED

	$'000
Cash	20,403
Shares *	26,607
	47,010

** 12,491,756 ordinary Evans Dixon Limited (ED1) shares issued based on the closing price of ED1 shares of $2.13 on the Australian Stock Exchange on 7 September 2018.*

Acquisition-related costs amounting to $332,981 have been excluded from the consideration transferred and have been recognised as an expense in profit or loss for the half-year, within the 'business acquisition costs' line item.

ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF ACQUISITION

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	$'000
Current assets	
Cash and cash equivalents	1,969
Trade and other receivables	159
Prepayments	22
Non-current assets	
Investments	4,608
Property, plant and equipment	486
Finite life intangible assets (customer contracts/relationships)	1,000
Goodwill (refer Note 7)	43,091
Deposits	312
Current liabilities	
Trade and other payables	(1,638)
Provisions	(2,312)
Current tax liabilities	(597)
Non-current liabilities	
Deferred tax liabilities	(90)
	47,010

The initial accounting for the acquisition of the Acquiree has only been provisionally determined at the end of the half-year (refer Note 7).

The goodwill of $43.1 million arising from the acquisition reflects the strength of the relationships, networks, expertise and reputation the business and its executives have been able to cultivate.

It also reflects the synergies that are expected to arise from the combination of the business with the Evans Dixon Corporate & Institutional division, by leveraging the existing platform and increasing the breadth and quality of offering made available to Evans Dixon's corporate and institutional clients.

GOODWILL ARISING ON ACQUISITION

	$'000
Consideration transferred	47,010
(Less): fair value of identifiable net assets acquired	(3,919)
Goodwill arising on acquisition	**43,091**

NET CASH OUTFLOW ARISING ON ACQUISITION

	$'000
Consideration paid in cash	20,403
(Less): cash and cash equivalents balances acquired	(1,969)
Net cash outflow arising on acquisition	**18,434**

IMPACT OF ACQUISITION ON THE RESULTS OF THE GROUP

Revenue for the half-year includes $13.2 million in respect of the Acquiree. Included in the profit for the half-year is $3.2 million attributable to the Acquiree.

Had the acquisition of the Acquiree been affected at 1 July 2018, the revenue of the Group for the half-year ended 31 December 2018 would have been $127.0 million, and the profit for the half-year ended 31 December 2018 would have been $12.6 million.

9. SHARE BASED PAYMENTS

EMPLOYEE SHARE OPTIONS

DETAILS OF THE SHARE OPTION PLAN

During the current period the Group established a Loan Funded Share Plan ('LFSP' or 'Plan') for its Australian domiciled employees ('Participants').

The Plan will provide assistance for Participants to invest in shares of the Company in order to more closely align the interests of Participants with shareholders of the Group.

The key terms of the Plan are listed as follows:

The Group may offer certain employees an invitation to apply for a specified number of shares in conjunction with their cash bonus. The Group will provide the Participant with an interest free and limited recourse loan which is used to acquire shares in the Company. The price paid by the Participant for Plan shares is the market value at the time of grant, calculated as the VWAP over the 10 trading days prior to the grant date.

Loans to Participants under the Plan will be secured on the shares issued to that Participant. The shares will not be transferable until the loan is fully paid. Once the loan has been fully repaid subject to vesting, the shares issued under the Plan will be freely transferable. Shares granted are subject to a vesting period of four years, however Participants may hold Plan shares for up to seven years at which point the loan must be repaid in full.

Participation in the Plan is subject to vesting conditions, Participants will forfeit their shares if the vesting conditions are not met. Participants who forfeit their shares will not be entitled to any gains. No performance hurdles are attached to the existing tranches under the Plan. Currently no shares have been granted to Directors or Senior Executives under the Plan.

Shares acquired under the Plan rank equally in all respects with all shareholder entitlements for the same class of shares (including but not limited to voting rights, rights issues, dividends and other distributions to, or entitlements of, holders of existing shares) which have a record date for determining entitlements on or after the grant date of the Loan Funded Shares.

Dividends will be payable on the shares issued under the Plan on the same basis as all other issued fully paid ordinary shares, and will be paid to Participants.

The aggregate maximum number of shares that may be issued or allotted under the Plan at any time during the preceding three years will not exceed 10% of the total number of shares on issue.

Evans Dixon Limited Loan Funded Share Plan Trust holds all Plan shares in trust for the Participants.

Plan shares held in Trust for a Participant will be transferred to the Participant, upon the Participant's request, after satisfaction of the vesting conditions or at the Board's discretion.

The carrying value of loans outstanding at balance sheet date was: $6,523,040.

To date, two tranches of shares have been issued under the Plan as follows:

LFSP	Tranche 1	Tranche 2
Number of securities	2,829,923	475,851
Grant date	15 October 2018	15 November 2018
Vesting date	15 October 2022	15 November 2022
Share price at grant date	$2.00	$1.80

The shares issued under the Plan have been treated as 'in substance options' which have been valued using a Black-Scholes option pricing methodology with key inputs shown below. The resulting value is amortised over the vesting period on a probability adjusted basis. The total expense recorded for the period was $118,991.

LFSP	Tranche 1	Tranche 2
Option life	4 years	4 years
Expected volatility	36%	36%
Historical dividend yield	5.50%	6.11%
Risk-free rate	2.21%	2.23%
Fair value per security	$0.815	$0.761
Valuation methodology	Black-Scholes	Black-Scholes

10. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report. As at 31 December 2018, no key management personnel have participated in the Loan Funded Share Plan (Note 9).

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31 December 2018 $'000	30 June 2018 $'000		
Unlisted corporation investments	1,393	903	Level 2 / Level 3	Where relevant market information, such as a recent capital raising, is available this information is used to determine the fair value of the investment. For remaining investments, given the absence of an active trading market for the instruments and the absence of any other available information indicating material change in value, the directors have deemed that the fair value of these assets materially approximates their historical cost. Movements in carrying values include movements in foreign exchange rates at balance date where the investments are held by foreign subsidiaries.
Investment property	1,589	1,589	Level 2	Values determined annually based on direct comparable sales as reported by licenced real estate valuers engaged by the Group. Key inputs are selling price, geographic location, property age and condition. The directors have considered that based on their knowledge of market conditions there is no material change in fair value since 30 June 2018.

There were no transfers between Level 1 and Level 2/Level 3 in the period.

The fair value of financial assets and financial liabilities which are not measured at fair value on a recurring basis materially approximates their carrying value at reporting date.

12. SUBSEQUENT EVENTS

On 1 February 2019 the Final Report from The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was presented to the Governor-General. The Report sets out 76 policy recommendations to strengthen protections for consumers, enhance accountability, ensure strong and effective financial system regulators and further improve consumer access to redress. Evans Dixon management are currently working through the matters raised in the Report. The impact of these to the financial services industry and the Group will take time to be properly understood.

Since the end of the financial period, the directors resolved to declare an interim dividend of 5.0 cents per share franked to 100%. The dividend will be paid to eligible shareholders on 11 April 2019. The record date for dividend entitlement is 2 April 2019.

Other than the matters referred above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and give a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors,

David Evans
Director

Alan Dixon
Director

Dated: 25th February 2019

Independent auditor’s review report

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Independent Auditor’s Review Report to the members of Evans Dixon Limited

We have reviewed the accompanying half-year financial report of Evans Dixon Limited (the ‘Company’), which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors’ declaration of the consolidated entity comprising the Company and the entities it controlled at the end of the half-year or from time to time during the half-year.

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 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 Evans Dixon 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.* We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Evans Dixon Limited, would be in the same terms if given to the directors as at the time of this auditor’s review report.

Deloitte.

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 Evans Dixon Limited 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 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 the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants
Sydney, 25 February 2019

Global perspective. Insightful advice.

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