

APPENDIX 4D

HALF-YEAR REPORT

1. Details of the reporting period and the previous corresponding period

Current period	Half-year ended 31 December 2018
Prior corresponding period	Half-year ended 31 December 2017

2. Results for announcement to the market

	Key information	31 Dec 2018 \$	31 Dec 2017* \$	Change %
2.1	Revenue from ordinary activities	-	-	-
2.2	Loss from ordinary activities after tax attributable to members	-	-	-
2.3	Loss for the period attributable to members	(130,079)	(513,864)	(74.7)

*In the prior corresponding period the Company's shares were stapled to the units of Lantern Real Estate Trust and the key information presented in the Appendix 4D for the half-year ended 31 December 2017 reflected the results of the stapled entity. During the current period, Lantern Real Estate Trust was terminated and removed from the Official List of ASX Limited. Key information for the prior corresponding period has been restated to reflect only the results of the Company for the half-year ended 31 December 2017.

2.4 Dividends and Distributions

No dividends were declared during the half-year ended 31 December 2018. On 22 February 2019, the directors declared a special dividend of 0.07 cents per ordinary share. The special dividend has a record date of 28 February 2019 and a payment date of 15 March 2019.

2.5 Commentary

Net loss after tax for the half-year to 31 December 2018 was \$130,079 compared to a loss of \$513,864 in the previous corresponding period. The net loss was driven by the expenses required for the operations of the Group, including the finance and accounting function, compliance obligations, Board functions, insurance and generally meeting the needs of a publicly listed group. Consistent with previous guidance given, the Board has actively reduced these ongoing costs during the half-year as far as possible.



Lantern Hotel Group Limited
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For the half-year ended 31 December 2018

3. Net tangible assets per ordinary share

	31 Dec 2018 Cents	31 Dec 2017 Cents*
Net tangible assets per ordinary share	0.15	0.27

*In the prior corresponding period the Company's shares were stapled to the units of Lantern Real Estate Trust and the net tangible assets per ordinary share presented in the Appendix 4D for the half-year ended 31 December 2017 reflected the net tangible assets per ordinary share of the stapled entity as at 31 December 2017. During the current period, Lantern Real Estate Trust was terminated and removed from the Official List of ASX Limited. Net tangible assets per ordinary share for the prior corresponding period has been restated to reflect only the net tangible assets per ordinary share of the Company as at 31 December 2017.

4. Details of entities over which control has been gained or lost during the period

Refer to the attached interim financial report.

5. Details of dividends paid during the period

No dividends were declared or paid during the half-year ended 31 December 2018. On 22 February 2019, the directors declared a special dividend of 0.07 cents per ordinary share. The special dividend has a record date of 28 February 2019 and a payment date of 15 March 2019.

6. Dividend reinvestment plans

There was no dividend reinvestment plans in operation during the half-year. There is no dividend reinvestment plan in operation for the special dividend declared on 22 February 2019.

7. Audit qualification or review

The interim financial statement for the half-year ended 31 December 2018 was subject to a review by the auditors and their review report is attached as part of the interim financial report. The review report issued by the auditors includes an emphasis of matter drawing attention to the fact that the half-year interim financial report is prepared on a liquidation basis of accounting.

8. Attachments

The interim financial report of Lantern Hotel Group for the half-year ended 31 December 2018 is attached.



Signed: _____

Graeme Campbell
Executive Chairman
25 February 2019





Lantern Hotel Group Limited

Interim financial report

For the half-year ended 31 December 2018



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CORPORATE INFORMATION

Directors	Graeme Campbell Shirley Liew Matthew Stubbs Alexander Beard	(Executive Chairman) (Non-Executive Director – resigned 22 nd February 2019) (Non-Executive Director) (Non-Executive Director – appointed 22 nd February 2019)
Company Secretary	Erin McMullen	
Registered Office	Boardroom Pty Ltd Level 12, 225 George St Sydney NSW 2000 Phone: (02) 9290 9600	
Principal Administration Office	Boardroom Pty Ltd Level 12, 225 George St Sydney NSW 2000 Phone: (02) 9290 9600	
Share Register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Phone: (02) 8280 7552	
Auditor	HLB Mann Judd (NSW Partnership) Level 19, 207 Kent Street Sydney NSW 2000	
Stock Exchange Listing	Lantern Hotel Group Limited shares are listed on the Australian Securities Exchange (ASX code: LTN)	
Website	www.lanternhotels.com.au	



DIRECTORS' REPORT

The directors of Lantern Hotel Group Limited ('the Company') present their report, together with the interim financial statements of Lantern Hotel Group Limited and its controlled entity ('the Group'), for the half-year ended 31 December 2018.

Directors

The following persons were Directors of the Company during the whole of the half-year ended 31 December 2018 and up to the date of this report unless otherwise stated:

Graeme Campbell (Executive Chairman)
Shirley Liew (Non-Executive Director – resigned 22nd February 2019)
Matthew Stubbs (Non-Executive Director)
Alexander Beard (Non-Executive Director – appointed 22nd February 2019)

Review of Operations

Net loss after tax for the half-year to 31 December 2018 was \$130,079 compared to a loss of \$513,864 in the previous corresponding period. The net loss was driven by the expenses required for the ongoing activities of the Group, including the finance and accounting function, compliance obligations, Board functions, insurance and generally meeting the needs of a publicly listed group. Consistent with previous guidance given, the Board has actively reduced these ongoing costs during the half-year as far as possible.

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 on the following page.

Signed in accordance with a resolution of the directors of the Company.

Graeme Campbell
Executive Chairman
Dated in Sydney this 25th day of February 2019

Matthew Stubbs
Non-Executive Director
Dated in Sydney this 25th day of February 2019



LANTERN HOTEL GROUP LIMITED
AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Lantern Hotel Group Limited:

As lead auditor for the review of Lantern Hotel Group 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:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lantern Hotel Group Limited and the entities it controlled during the half-year.

Sydney, NSW
25 February 2019



K L Luong
Partner

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	December 2018 \$	December 2017 \$
Discontinued Operations			
Revenue and Income			
Interest income		8,672	16,941
Other revenue	2	-	11,343
Gain on disposal of subsidiary	10(b)	127,273	-
Total revenue and income		135,945	28,284
Expenses			
Salaries and wages		32,265	263,765
Professional fees		153,178	358,673
Insurance		23,997	109,361
Provision for costs of wind down		(10,000)	(329,000)
Other		66,584	71,043
Total expenses		266,024	473,842
Loss from discontinued operations before income tax		(130,079)	(445,558)
Income tax expense		-	(68,306)
Loss from discontinued operations after income tax		(130,079)	(513,864)
Other comprehensive income		-	-
Total comprehensive loss for the half-year		(130,079)	(513,864)
Loss attributable to ordinary shareholders		(130,079)	(513,864)
		Cents	Cents
Dividends per share		-	-
Loss per share attributable to the ordinary shareholders of the Group – basic	3	(0.01)	(0.06)
Loss per share attributable to the ordinary shareholders of the Group – diluted	3	(0.01)	(0.06)

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	December 2018 \$	June 2018 \$
Current assets			
Cash and cash equivalents		1,580,656	2,238,547
Trade and other receivables	4	23,842	13,607
Other assets	5	30,898	-
Total current assets		1,635,396	2,252,154
Total assets		1,635,396	2,252,154
Current liabilities			
Trade and other payables	6	18,347	495,026
Provisions	7	300,000	310,000
Total current liabilities		318,347	805,026
Total liabilities		318,347	805,026
Net assets		1,317,049	1,447,128
Equity			
Issued shares	8(a)	1,685,350	1,685,350
Accumulated losses		(368,301)	(238,222)
Total equity		1,317,049	1,447,128

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



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	December 2018 \$	December 2017 \$
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		-	8,023
Cash paid to suppliers and employees (inclusive of GST)		(793,836)	(3,214,794)
Interest received		8,672	16,941
Net cash outflow from operating activities		(785,164)	(3,189,830)
Cash flows from investing activities			
Proceeds from sale of subsidiary	10(b)	127,273	-
Net cash inflow from investing activities		127,273	-
Cash flows from financing activities			
Repayment of borrowings – Lantern Real Estate Trust		-	5,538,011
Dividend paid		-	(2,049,029)
Net cash inflow from financing activities		-	3,488,982
Net (decrease) increase in cash or cash equivalents		(657,891)	299,152
Cash or cash equivalents at the beginning of the half-year		2,238,547	3,661,639
Cash and cash equivalents and the end of the half-year		1,580,656	3,960,791

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes to the consolidated interim financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Shares \$	Retained Earnings (Accumulated Losses) \$	Total \$
Carrying amount at 1 July 2018	1,685,350	(238,222)	1,447,128
Net loss for the half-year	-	(130,079)	(130,079)
Other comprehensive income	-	-	-
Total comprehensive loss for the half-year	-	(130,079)	(130,079)
Carrying amounts at 31 December 2018	1,685,350	(368,301)	1,317,049
Carrying amount at 1 July 2017	2,745,192	176,552	2,921,744
Net loss for the half-year	-	(513,864)	(513,864)
Other comprehensive income	-	-	-
Total comprehensive loss for the half-year	-	(513,864)	(513,864)
Carrying amounts at 31 December 2017	2,745,192	(337,312)	2,407,880

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the consolidated interim financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. Significant Accounting Policies

Basis of preparation and general information

This consolidated financial report of Lantern Hotel Group Limited ('the Company') and its controlled entity (collectively 'the Group') for the half-year ended 31 December 2018 (the "interim financial report") has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*.

The Company is a public company, whose shares are listed on the Australian Securities Exchange.

The interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, it is recommended that the interim financial report be read in conjunction with the most recent annual financial report 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 Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

During the half-year, the directors have continued to explore opportunities for the Group, while at the same time progressively winding up Group entities that hold no future value to reduce costs and the complexity of the Group's structure. Consistent with the most recent annual financial report, the directors have determined that the going concern basis of preparation is not appropriate given the Group's current state of affairs and this interim financial report has been prepared on a liquidation basis of accounting. This basis of preparation was applied in the Group's most recent annual financial report and the previous corresponding half-year interim financial report.

In the previous financial year and corresponding half-year interim financial reporting period the Company's shares were stapled to the units of Lantern Real Estate Trust and traded on the Australian Securities Exchange as a single stapled security (ASX:LTN). During the half-year, Lantern Real Estate Trust was terminated. As of close of business, Thursday 26 July 2018, Lantern Real Estate Trust was removed from the Official List of ASX Limited leaving only the shares of the Company listed on the Australian Securities Exchange.

Significant Accounting Policies

The interim financial report is prepared in accordance with the same accounting policies that were applied in the most recent annual financial report, except for changes of the new, revised or amending Accounting Standards and Interpretations adopted during the period described below.

As stated below, the nature and effects of changes arising from adoption of new, revised or amending Accounting Standards and Interpretations did not have a significant impact on the Group.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has applied all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The main new Accounting Standards and Interpretations that became effective during the current reporting period are as follows:

AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018 which replaces *AASB 139 Financial Instruments: Recognition and Measurement*. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New and simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. Significant Accounting Policies (continued)

The Group's financial instruments include cash and cash equivalents, trade and other receivables and trade and other payables. The Group does not apply hedge accounting. On initial application of AASB 9, the Group determined that its financial assets and liabilities continue to be measured at amortised cost and the Group has applied the simplified approach to measuring expected credit losses of its trade and other receivables. The adoption of AASB 9 has not had a significant effect on the Group's accounting policies relating to financial instruments or a material impact on the financial performance or position of the Group. In accordance with the transitional provisions in AASB 9, comparatives have not been restated and no differences were required to be recognised to the opening balance of retained earnings at 1 July 2018 as a result of the adoption of AASB 9. Consequently, no further disclosures have been included in this interim financial report.

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 July 2018 which replaces *AASB 118 Revenue*, *AASB 111 Construction Contracts* and several revenue related Interpretations. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been restated. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018. In accordance with the transition guide, AASB 15 only applies to contracts with customers that were incomplete at 1 July 2018.

The Groups' revenue includes interest revenue which is specifically excluded from the scope of AASB 15. The adoption of AASB 15 has not had an effect on the Group's accounting policies relating to revenue or had an impact on the financial performance or position of the Group. No adjustment was required to be recognised to the opening balance of retained earnings at 1 July 2018 as a result of the adoption of AASB 15 and consequently no further disclosures have been included in this interim financial report.

Other amending Accounting Standards and Interpretations

Several other amending Accounting Standards and Interpretations apply for the first time for the current reporting period commencing 1 July 2018. These other amending Accounting Standards and Interpretations did not result in any adjustments to the amounts recognised or disclosures in the interim financial report.

New, revised or amending Accounting Standards and Interpretations issued but not yet mandatory

Any new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are not mandatory to the Group for the current reporting period have not been adopted. These new, revised or amending Accounting Standards and Interpretations are not expected to have any material impact on the Group's financial report in future reporting periods based on the Group's current activities. If the activities of the Group were to change in the future, these Accounting Standards and Interpretations may have a significant impact on the Group's future financial reports.

Comparative information

Comparative information may have been reclassified to enhance disclosures and match current year classifications.

2. Other Revenue	December 2018 \$	December 2017 \$
Responsible entity fee income – Lantern Real Estate Trust	-	4,049
Other revenue	-	7,294
Total other revenue	-	11,343



NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

3. Earnings Per Share	December 2018 \$	December 2017 \$
Loss from discontinued operations attributable to ordinary shareholders:	(130,079)	(513,864)
	No.	No.
Weighted average number of ordinary shares used in calculating basic earnings per share	883,202,130	883,202,130
Weighted average number of ordinary shares used in calculating diluted earnings per share	883,202,130	883,959,157
	Cents	Cents
Basic and diluted earnings per share attributable to the shareholders of the Group		
From discontinued operations – basic earnings	(0.01)	(0.06)
From discontinued operations – diluted earnings	(0.01)	(0.06)
4. Trade and Other Receivables	December 2018 \$	June 2018 \$
Current assets		
Receivables	23,842	13,607
Total trade and other receivables	23,842	13,607
5. Other assets	December 2018 \$	June 2018 \$
Current assets		
Prepaid expenses	30,898	-
Total other assets	30,898	-
6. Trade and other payables	December 2018 \$	June 2018 \$
Current liabilities		
Trade and other payables	18,347	219,124
Payables – Lantern Real Estate Trust	-	25,902
Payables – Key Management Personnel	-	250,000
Total payables	18,347	495,026
7. Provisions	December 2018 \$	June 2018 \$
Current liabilities		
Wind down costs	300,000	310,000
Total current provisions	300,000	310,000

The provision for costs to wind down relates to future expenditures expected to be directly incurred in the wind down of the Group.

The provision does not include amounts relating to future expenditures which will be incurred in the ongoing operations and activities of the Group that are not directly associated with the wind down of the Group.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

8. Issued shares	December 2018 \$	December 2017 \$
(a) Carrying amounts		
At the beginning of the half-year	1,685,350	2,745,192
At the end of the half-year	1,685,350	2,745,192
(b) Number of shares issued	No.	No.
At the beginning of the half-year	883,202,130	883,202,130
At the end of the half-year	883,202,130	883,202,130

9. Subsidiaries	Ownership Interest	
	December 2018 %	June 2018 %

The consolidated interim financial statements incorporate the assets, liabilities and results of the following subsidiary:

Name	Country of incorporation or establishment		
Lantern RE Limited	Australia	Nil	100

Lantern RE Limited was disposed of during the half-year (refer to Note 10). The Group's voting interest in Lantern RE Limited prior to disposal was the same as its ownership interest.

10. Disposal of subsidiary	Period ended 18 September 2018 \$	Period ended 31 December 2017 \$
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On 18 September 2018, the company's wholly owned subsidiary, Lantern RE Limited was sold. Financial information relating to the subsidiary for the period to the date of disposal is set out below.

(a) Financial performance and cash flow information

The financial performance of the subsidiary incorporated in the consolidated statement of profit or loss and other comprehensive income to the date of disposal is as follows:

Revenue and income	3,639	18,157
Expenses	(28,807)	(57,612)
Loss for the period before income tax	(25,168)	(39,455)
Income tax expense	-	-
Loss for the period after income tax	(25,168)	(39,455)
Other comprehensive income	-	-
Total comprehensive loss for the period	(25,168)	(39,455)

The net cash flows of the subsidiary which have been incorporated into the consolidated statement of cash flows to the date of disposal are as follows:

Net cash inflow/(outflow) from operating activities	(24,878)	(51,999)
Net cash inflow/(outflow) from investing activities	-	-
Net cash inflow/(outflow) from financing activities	-	-
Net cash outflows	(24,878)	(51,999)

(b) Gain on sale of subsidiary

Gain on sale of subsidiary included in the consolidated statement of profit or loss and other comprehensive income is as follows:

Total disposal consideration received in cash, net of GST	127,273
Carrying amount of net assets on disposal	-
Gain on sale of subsidiary	127,273



NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

11. Events subsequent to the reporting date

On 22 February 2019, the directors declared a special dividend of 0.07 cents per ordinary share. The special dividend has a record date of 28 February 2019 and a payment date of 15 March 2019.

There were no other significant events subsequent to reporting date.

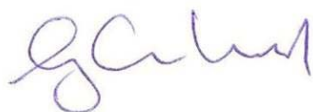


DIRECTORS' DECLARATION

In the opinion of the directors of Lantern Hotel Group Limited;

- (a) the consolidated financial statements and notes, set out on pages 4 to 12, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Group as at 31 December 2018 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements, and
- (b) 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 the directors.



Graeme Campbell
Executive Chairman
Dated in Sydney this 25th day of February 2019



Matthew Stubbs
Non- Executive Director
Dated in Sydney this 25th day of February 2019



LANTERN HOTEL GROUP LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Lantern Hotel Group Limited

We have reviewed the accompanying half-year financial report of Lantern Hotel Group Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end 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 the company, 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*.

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LANTERN HOTEL GROUP LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

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 Lantern Hotel Group 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*.

Emphasis of Matter

We draw attention to Note 1 of the half-year financial report, which states that the directors of the company have concluded that the consolidated entity is not considered a going concern and the half-year financial report has been prepared on a liquidation basis of accounting.



HLB Mann Judd
Chartered Accountants

Sydney, NSW
25 February 2019



K L Luong
Partner