APPENDIX 4D

1. COMPANY DETAILS

Name of entity:	Johns Lyng Group Limited
ABN:	86 620 466 248
Reporting period:	For the half-year ended 31 December 2018
Previous periods:	For the year ended 30 June 2018 For the half-year ended 31 December 2017

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$
Revenues from ordinary activities (sales)	up	3.3%	to	152,621,498
Profit from ordinary activities after tax attributable to the owners of Johns Lyng Group	up	15.3%	to	7,963,717
Profit for the half-year attributable to the owners of Johns Lyng Group	up	14.3%	to	7,889,889

Dividends

	Amount per security	Franked amount per security
	Cents	Cents
Interim dividend	–	–
Previous corresponding period	–	–
Record date for determining entitlements to dividend	–	–

Explanatory note on results

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to $7,963,717 (31 December 2017: $6,905,793). For further information refer to 'operating and financial review' section within the attached Directors' report.

3. NET TANGIBLE ASSETS

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	15.33	11.04

4. CONTROL GAINED OVER ENTITIES

Not applicable.

5. LOSS OF CONTROL OVER ENTITIES

On 4 July 2018, JLG sold the trade and business assets of Sankey Security & Glass Pty Ltd to Express Glass 24 Hour Service Pty Ltd for cash consideration of $320,000.

APPENDIX 4D

6. DIVIDENDS

Ordinary Shares	31 December 2018 $	31 December 2017 $
Dividends paid during the half-year (fully franked)	4,216,545	–

The final dividend in respect of the year ended 30 June 2018 was paid on 11 October 2018.

7. DIVIDEND REINVESTMENT PLANS

Not applicable.

8. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

On 17 July 2018, JLG, via its subsidiary Global Home Response Pty Ltd sold its 49% equity interest in Club Home Response Pty Ltd to RACV Holdings Pty Ltd (51% shareholder) for cash consideration of $4,150,839.

The share of net profits accounted for using the equity method attributable to owners of Johns Lyng Group and non-controlling interests for the half-year ended 31 December 2018 amounted to nil (31 December 2017: $241,251).

9. FOREIGN ENTITIES

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

Not applicable.

10. AUDIT QUALIFICATION OR REVIEW

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the independent auditors with an unqualified opinion. The review report is attached as part of the Financial Report for the half-year ended 31 December 2018.

11. ATTACHMENTS

Details of attachments (if any):

The Financial Report of Johns Lyng Group for the half-year ended 31 December 2018 is attached.

12. OTHER INFORMATION REQUIRED BY LISTING RULE 4.2A.3

Other information requiring disclosure to comply with Listing Rule 4.2A.3 is contained in the Financial Report for the half-year ended 31 December 2018 (which includes the Directors' report).

13. ACCOUNTING STANDARDS

This report has been compiled using Australian Accounting Standards and International Financial Reporting Standards.

14. EVENTS AFTER THE REPORTING PERIOD

On 25 February 2019, JLG acquired a controlling 56.6% interest in Dressed for Sale Australia Pty Ltd for cash consideration of $1,959,223 plus a potential earn-out of up to $340,734 dependent on the financial performance of the business for the financial year ended 30 June 2019.

JOHNS LYNG GROUP

JOHNS LYNG GROUP LIMITED
ABN 86 620 466 248
AND CONTROLLED ENTITIES

FINANCIAL REPORT

for the half-year ended 31 December 2018

CONTENTS

31 December 2018

DIRECTORS' REPORT

31 December 2018

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group') consisting of Johns Lyng Group Limited (referred to hereafter as 'Johns Lyng Group', the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity consist of insurance building and restoration services, commercial building services and commercial construction. There were no significant changes in the nature of the consolidated entity's activities during the period.

DIRECTORS AND COMPANY SECRETARY

The following persons were directors or the company secretary of Johns Lyng Group during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Peter Nash (Chairman and Non-executive Director. Appointed 1 October 2017.)
- Scott Didier AM (Managing Director. Appointed 28 September 2017.)
- Lindsay Barber (Executive Director. Appointed 14 July 2017.)
- Matthew Lunn (Executive Director. Appointed 14 July 2017.)
- Adrian Gleeson (Executive Director. Appointed 28 September 2017.)
- Curtis (Curt) Mudd (was Executive Director from 28 September 2017 to 30 November 2018 and was appointed Non-executive Director 1 December 2018.)
- Robert Kelly (Non-executive Director. Appointed 1 December 2017.)
- Larisa Moran (Non-executive Director. Appointed 10 September 2018.)
- Paul Dwyer (Non-executive Director. Appointed 28 September 2017. Resigned 7 December 2018.)
- Sophie Karzis (Company Secretary. Appointed 28 September 2017.)

OPERATING AND FINANCIAL REVIEW

Financial information in the operating and financial review is based on the reviewed condensed consolidated financial statements for the half-year ended 31 December 2018.

Profit for the consolidated entity after providing for income tax and non-controlling interest amounted to $8.0m (31 December 2017: $6.9m). The increase in profit was due to the following factors:

- Sales for the half-year ended 31 December 2018 of $152.7m (31 December 2017: $147.8m) were $4.9m higher driven by the Insurance Building and Restoration Services and Commercial Construction segments;
- Gross margin for the half-year ended 31 December 2018 decreased to 20.5% (31 December 2017: 21.0%) as a result of job mix;
- Operating profit for the half-year ended 31 December 2018 of $13.1m (31 December 2017: $8.9m) was $4.2m higher as a result of the gain on sale from Sankey Security & Glass Pty Ltd and JLG's 49.0% equity interest in Club Home Response Pty Ltd; and
- Income tax expense for the half-year ended 31 December 2018 of $3.9m (31 December 2017: $0.3m income tax benefit).

ROUNDING OF AMOUNTS

The Company is of a kind referred to in the Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

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

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

On behalf of the directors

Peter Nash
Chairman

28 February 2019

Scott Didier AM
Managing Director

28 February 2019

AUDITOR'S INDEPENDENCE DECLARATION

PITCHER PARTNERS

JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES

In relation to the independent auditor's review for the half-year ended 31 December 2018, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional* Accountants.

This declaration is in respect of Johns Lyng Group Limited and the entities it controlled during the period.

S D WHITCHURCH
Partner

28 February 2019

PITCHER PARTNERS
Melbourne

An independent Victorian Partnership ABN 27 975 255 196
Level 13, 664 Collins Street, Docklands VIC 3008
Liability limited by a scheme approved under Professional Standards Legislation

Pitcher Partners is an association of independent firms
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2018

		Consolidated	
	Note	31 December 2018 $'000	31 December 2017 $'000
Revenue			
Sales income	4	152,621	147,792
Cost of sales		(121,373)	(116,721)
Gross profit		31,248	31,071
Other revenue and income	4	5,437	1,203
Expenses			
Employee benefits		(14,545)	(11,244)
Depreciation and amortisation		(1,558)	(1,217)
Motor vehicle		(1,493)	(1,173)
Travel		(893)	(736)
Insurance		(658)	(522)
Professional fees		(468)	(967)
Telephone and communication		(472)	(482)
Finance costs		(282)	(470)
Advertising		(492)	(504)
Occupancy		(1,508)	(1,428)
IPO and other transaction related expenses		(80)	(3,253)
Other		(1,138)	(1,357)
Total expenses		(23,587)	(23,353)
Operating profit		13,098	8,921
Share of net profits of investments accounted for using the equity method		–	241
Profit before income tax		13,098	9,162
Income tax (expense)/benefit	5	(3,913)	326
Profit after income tax for the half-year		9,185	9,488
Other comprehensive income for the half-year			
Movement in foreign currency reserve		(74)	(2)
Total comprehensive income for the half-year		**9,111**	**9,486**
Profit for the half-year is attributable to:			
Non-controlling interest		1,221	2,582
Owners of Johns Lyng Group		7,964	6,906
		9,185	**9,488**
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		1,221	2,582
Owners of Johns Lyng Group		7,890	6,904
		9,111	**9,486**

		Cents	Cents
Earnings per share (EPS) for profit from continuing operations attributable to equity holders of the parent entity:			
Basic earnings per share		3.59	3.89
Diluted earnings per share		3.59	3.89

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

		Consolidated	
	Note	31 December 2018 $'000	30 June 2018 $'000
Assets			
Current assets			
Cash and cash equivalents		32,082	22,269
Trade and other receivables		46,505	41,963
Inventories		523	611
Accrued income		11,360	14,954
Other		1,318	1,271
Total current assets		91,788	81,068
Non-current assets			
Investments accounted for using the equity method		–	235
Property, plant and equipment		8,939	9,259
Intangibles		3,486	3,392
Deferred tax asset	5	2,700	2,678
Total non-current assets		15,125	15,564
Total assets		106,913	96,632
Liabilities			
Current liabilities			
Trade and other payables		42,947	41,169
Borrowings		2,056	2,049
Current tax payable	5	7,389	3,638
Provisions		2,902	2,504
Beneficiary entitlements		587	1,412
Income in advance		7,985	8,664
Total current liabilities		63,866	59,436
Non-current liabilities			
Borrowings		2,478	2,369
Provisions		328	347
Total non-current liabilities		2,806	2,716
Total liabilities		66,672	62,152
Net assets		**40,241**	**34,480**
Equity			
Issued capital	6	59,891	58,983
Reserves	7	(21,033)	(22,909)
Accumulated profits/(losses)		2,281	(1,466)
Equity attributable to the owners of Johns Lyng Group		41,139	34,608
Non-controlling interest		(898)	(128)
Total equity		**40,241**	**34,480**

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

	Issued capital	Reserves	Net accumulated profits	Non-controlling interest	Total equity
Consolidated – 31 December 2018	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2018	58,983	(22,909)	(1,466)	(128)	34,480
Profit for the half-year	–	–	7,964	1,221	9,185
Movements in foreign currency reserve	–	(74)	–	–	(74)
Total comprehensive income for the half-year	–	(74)	7,964	1,221	9,111
Transactions with owners in their capacity as owners:					
Issue of shares	808	–	–	–	808
Transactions with non-controlling interests	–	1,677	–	(100)	1,577
Issue of shares in connection with business acquisition	100	–	–	–	100
Dividends paid	–	–	(4,217)	–	(4,217)
Share based payments	–	23	–	–	23
Long-term share based incentives (performance rights)	–	250	–	–	250
Distributions to unitholders	–	–	–	(1,891)	(1,891)
Balance at 31 December 2018	**59,891**	**(21,033)**	**2,281**	**(898)**	**40,241**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2018

	Issued capital	Reserves	Net accumulated losses	Non-controlling interest	Total equity
Consolidated – 31 December 2017	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2017	2,000	(1,253)	(14,798)	(267)	(14,318)
Profit for the half-year	–	–	6,906	2,582	9,488
Movement in foreign currency reserve	–	(2)	–	–	(2)
Total comprehensive income for the half-year	–	(2)	6,906	2,582	9,486
Transactions with owners in their capacity as owners:					
Issue of equity on Roll-up	21,270	(21,264)	–	(6)	–
Interposition of Johns Lyng Group Limited – demerger of non-core businesses pre-IPO	(10,422)	–	10,422	–	–
Other transactions with the Group	–	(122)	–	–	(122)
Shares issued on IPO	46,902	–	–	–	46,902
Share issue transaction costs, net of tax	(2,261)	–	–	–	(2,261)
Distributions to unitholders	–	–	(7,387)	(2,430)	(9,817)
Share based payments	–	137	–	–	137
Balance at 31 December 2017	**57,489**	**(22,504)**	**(4,857)**	**(121)**	**30,007**

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

		Consolidated	
	Note	31 December 2018 $'000	31 December 2017 $'000
Cash flows from operating activities			
Receipts from customers		167,778	165,113
Payments to suppliers and employees		(155,329)	(151,721)
Dividends received		300	–
Interest received		164	51
Finance costs		(282)	(470)
Income tax paid		(184)	(193)
Net cash from operating activities		**12,447**	**12,780**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		191	77
Payment for property, plant and equipment		(194)	(302)
Proceeds from sale of business		4,503	–
Net cash from/(used in) investing activities		**4,500**	**(225)**
Cash flows from financing activities			
Proceeds from share issue[1]		–	43,455
Proceeds from borrowings		1,219	–
Receipts from beneficiaries		–	2,800
Payments to beneficiaries		(2,434)	(19,325)
Receipts from/(payments to) related parties		620	(2,367)
Repayment of borrowings		(721)	(16,692)
Repayment of hire purchase		(1,601)	(5,154)
Share issue transaction costs		–	(445)
Dividends paid		(4,217)	–
Net cash (used in)/from financing activities		**(7,134)**	**2,272**
Net increase in cash and cash equivalents		9,813	14,827
Cash and cash equivalents at the beginning of the financial half-year		22,269	6,816
Cash and cash equivalents at the end of the financial half-year		**32,082**	**21,643**

[1] Proceeds from issue of shares comprises 46,902,236 shares issued at $1 each less $3,447,325 in IPO related expenses deducted at settlement.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

NOTE 1. GENERAL INFORMATION

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

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

Registered office	Principal place of business
Level 13, 664 Collins Street Docklands VIC 3008	1 Williamsons Road Doncaster VIC 3108

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2019.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of the condensed consolidated half-year financial report

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below.

(b) Rounding of amounts

The Company is of a kind referred to in the Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(c) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the half-year reporting period ended 31 December 2018. The consolidated entity has assessed the impact of these new or amended Accounting Standards and Interpretations.

AASB 16 Leases

This standard is applicable to Annual Reporting periods beginning on or after 1 January 2019. AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, lessees will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. Lessor accounting remains similar to current practice i.e. lessors continue to classify leases as finance and operating leases. The Group will adopt this standard from 1 July 2019. The Group performed an assessment of its lease liability and right-of-use asset as at the Financial Report date and determined the impact of AASB 16 to be immaterial to the consolidated statements of profit or loss and other comprehensive income and net assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policy

AASB 9 Financial Instruments

The Group has adopted AASB 9 Financial Instruments for the first time in the current half-year with a date of initial application of 1 July 2018.

AASB 9 addresses the classification, measurement, recognition and derecognition of financial assets and financial liabilities. It has also introduced revised rules for hedge accounting and impairment.

AASB 9 has been applied by the Company from 1 July 2018. The adoption of AASB 9 did not result in a material change to the classification or measurement of the Company's financial instruments. There was no material impact on the Company's consolidated financial statements from application of the new impairment model.

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 Revenue from Contracts with Customers for the first time in the current half-year with a date of initial application of 1 July 2018.

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods and services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods and services. The five step approach is as follows: step 1 – identify contracts with the customer; step 2 – identify the separate performance obligations; step 3 – determine the transaction price; step 4 – allocate the transaction price; and step 5 – recognise revenue when a performance obligation is satisfied.

AASB 15 has been applied by the Company from 1 July 2018. The Company has assessed the revenue recognition requirements in AASB 15 and has determined there is no material impact to the timing and amount of revenue recorded in the Financial Report. All revenue from contracts with customers are recognised over time.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

NOTE 3. OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organised into four operating segments: insurance building and restoration services, commercial building services, commercial construction (Johns Lyng Commercial Builders) and other. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM's') in assessing performance and in determining the allocation of resources.

The CODM's review revenue and EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM's are consistent with those adopted in the financial statements.

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

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM's. The CODM's are responsible for the allocation of resources to operating segments and assessing their performance. The operating segments below depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors and all revenue from contracts with customers are recognised over time.

Operating segment information

	Insurance building and restoration services	Commercial building services	Commercial construction – Commercial Builders	Other[1]	Intercompany eliminations	Total
Consolidated – 31 December 2018	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue						
Sales to external customers	117,507	18,980	15,647	487	–	152,621
Intersegment sales	5,447	495	–	444	(6,386)	–
Total revenue	**122,954**	**19,475**	**15,647**	**931**	**(6,386)**	**152,621**
Total other revenue and expenses	(112,347)	(13,761)	(15,579)	(2,546)	6,386	(137,847)
EBITDA	**10,607**	**5,714**	**68**	**(1,615)**	–	**14,774**
Depreciation and amortisation	(1,270)	(138)	(39)	(111)	–	(1,558)
Finance income	46	10	2	106	–	164
Finance costs	(253)	(45)	27	(11)	–	(282)
Profit/(loss) before income tax	**9,130**	**5,541**	**58**	**(1,631)**	–	**13,098**
Income tax (expense)						(3,913)
Profit after income tax						**9,185**

[1] Included in Other is $80,442 in one-off transaction related expenses.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

NOTE 3. OPERATING SEGMENTS (continued)

Consolidated – 31 December 2017	Insurance building and restoration services $'000	Commercial building services $'000	Commercial construction – Commercial Builders $'000	Other[1] $'000	Intercompany eliminations $'000	Total $'000
Revenue						
Sales to external customers	106,900	27,129	12,265	1,498	–	147,792
Intersegment sales	6,437	1,680	–	700	(8,817)	–
Total revenue	**113,337**	**28,809**	**12,265**	**2,198**	**(8,817)**	**147,792**
Total other revenue and expenses	(99,828)	(27,006)	(13,130)	(6,088)	8,817	(137,235)
Share of profit of associate using equity accounting method	–	241	–	–	–	241
EBITDA	**13,509**	**2,044**	**(865)**	**(3,890)**	**–**	**10,798**
Depreciation and amortisation	(898)	(117)	(37)	(165)	–	(1,217)
Finance income	11	4	4	32	–	51
Finance costs	(269)	(78)	66	(189)	–	(470)
Profit/(loss) before income tax	**12,353**	**1,853**	**(832)**	**(4,212)**	**–**	**9,162**
Income tax benefit						326
Profit after income tax						**9,488**

[1] Included in Other is $3,253,150 in IPO related expenses.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

NOTE 4. REVENUE AND OTHER INCOME

	Consolidated	
	31 December 2018 $'000	31 December 2017 $'000
Insurance building and restoration services	117,507	106,900
Commercial building services	18,980	27,129
Commercial construction - Commercial Builders	15,647	12,265
Other	487	1,498
	152,621	**147,792**
Other revenue and income		
Dividend	104	–
Interest	164	51
Profit on sale of business	4,565	–
Profit on sale of plant and equipment	10	9
Sundry	594	522
Management fees	–	621
	5,437	**1,203**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

NOTE 5. INCOME TAX

	Consolidated	
	31 December 2018 $'000	31 December 2017 $'000
a) Components of tax expense/(benefit)		
Current tax	3,935	1,348
Deferred tax	(22)	(1,674)
	3,913	**(326)**
b) Prima facie tax payable		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit before tax	13,098	9,162
Prima facie income tax payable on profit before income tax at 30.0% (2017: 30.0%)	3,930	2,748
Add tax effect of:		
– Subsidiary losses not recognised	646	471
– Other non-deductible expenses	173	87
– Capital losses (otherwise deductible)	72	–
Less tax effect of:		
– Recognition of deferred tax assets post restructure	–	(868)
– Distribution of profits to unitholders pre-IPO	–	(2,473)
– Franking credits	–	(54)
– Distributions to non-controlling interests	(567)	(165)
– Share of profits from equity accounted investments	(115)	(72)
– Subsidiary tax losses utilised	(164)	–
– Other non-assessable income	(62)	–
	3,913	**(326)**
c) Current tax		
Current tax relates to the following:		
Current tax liabilities/(assets)		
Opening at 1 July	3,638	(1)
Income tax	3,935	1,348
Tax payments	(184)	(193)
Closing at 31 December	**7,389**	**1,154**
d) Deferred tax		
Deferred tax relates to the following:		
Deferred tax assets		
– Accruals	459	113
– Employee entitlements	969	817
– Fixed assets	198	–
– Capital raising costs	1,074	1,385
	2,700	**2,315**
Movements		
Opening balance	2,678	–
Credited to profit or loss	22	1,674
Credited to equity	–	641
Closing balance	**2,700**	**2,315**
e) Deferred income tax (benefit)/expense included in income tax expense comprises		
Decrease/(increase) in deferred tax assets	(22)	(1,674)
f) Deferred income tax related to items charged or credited directly to equity		
Decrease/(increase) in deferred tax assets	–	(641)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

NOTE 6. EQUITY – ISSUED CAPITAL

	Consolidated			
	31 December 2018 Shares	30 June 2018 Shares	31 December 2018 $'000	30 June 2018 $'000
Ordinary shares – fully paid	222,087,758	221,106,324	59,891	58,983

Movements in ordinary share capital

Details	Date	Shares	$'000
Opening balance	1 July 2018	221,106,324	58,983
Issue of shares	14 August 2018	817,091	808
Loan Funded Shares	30 November 2018	56,421	–
Issue of shares in connection with business acquisition	30 November 2018	107,922	100
At 31 December 2018		**222,087,758**	**59,891**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have $1 par (nominal) value and the company does not have a limited amount of authorised share capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loan Funded Shares

Peter Nash was issued 56,421 Loan Funded Shares during the half-year ended 31 December 2018. Under the terms of his contract, he is entitled to $50,000 worth of Loan Funded Shares on each anniversary date of his appointment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

NOTE 7. EQUITY – RESERVES

	Consolidated	
	31 December 2018 $'000	30 June 2018 $'000
Foreign currency translation reserve	(74)	–
Options reserve	631	358
Subsidiary interests reserve	(21,590)	(23,267)
Balance at 31 December 2018	**(21,033)**	**(22,909)**

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Foreign currency translation reserve	Options reserve	Subsidiary interests reserve	Total
Consolidated	$'000	$'000	$'000	$'000
Balance at 1 July 2018	–	358	(23,267)	(22,909)
Other transactions with the Group	–	–	1,677	1,677
Long-term share based incentives (performance rights)	–	250	–	250
Share based payments	–	23	–	23
Foreign currency translation	(74)	–	–	(74)
Balance at 31 December 2018	**(74)**	**631**	**(21,590)**	**(21,033)**

NOTE 8. EVENTS AFTER THE REPORTING PERIOD

On 25 February 2019, JLG acquired a controlling 56.6% interest in Dressed for Sale Australia Pty Ltd for cash consideration of $1,959,223 plus a potential earn-out of up to $340,734 dependent on the financial performance of the business for the financial year ended 30 June 2019.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NOTE 9. DIVIDENDS

a) Dividends paid or declared

Consolidated	31 December 2018 $'000	31 December 2017 $'000
Dividends paid at 1.9 cents per share (2017: Nil) fully franked at 30%.	4,217	–

b) Dividends proposed after the reporting period and not recognised

	Amount per security	Franked amount per security
Consolidated	Cents	Cents
Proposed dividends not recognised at end of the half-year	–	–

DIRECTORS' DECLARATION

31 December 2018

The directors declare that:

1 In the directors' opinion, the financial statements and notes thereto, as set out on pages 1 to 16, are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

   (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2018 and of its performance for the half-year ended on that date.

2 In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that *Johns Lyng Group Limited* will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

On behalf of the directors

Peter Nash
Chairman

28 February 2019

Scott Didier AM
Managing Director

28 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JOHNS LYNG GROUP

PITCHER PARTNERS

JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES
ABN 86 620 466 248

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Johns Lyng Group Limited "the Company" and its controlled entities "the Group", which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 group'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 Group, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Johns Lyng Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JOHNS LYNG GROUP

PITCHER PARTNERS

JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES
ABN 86 620 466 248

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES

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 Johns Lyng Group Limited is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

S D WHITCHURCH
Partner

PITCHER PARTNERS
Melbourne

28 February 2019

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