

PS&C Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity:	PS&C Ltd
ABN:	50 164 718 361
Reporting period:	For the half-year ended 31 December 2014
Previous period:	For the half-year ended 31 December 2013

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	816.2% to	39,526,674
Profit from ordinary activities after tax attributable to the members of PS&C Ltd	up	685.5% to	2,026,882
Profit for the half-year attributable to the members of PS&C Ltd	up	685.5% to	2,026,882

Dividends

	Amount per security Cents	Franked amount per security Cents
Interim dividend payable	3.0	3.0
Final dividend paid	3.0	3.0

An interim fully franked dividend was declared on 19 February 2015 of 3 cents per share. The dividend is payable on 15 April 2015.

The record date for determining entitlement to the interim dividend is 31 March 2015.

A final fully franked dividend was paid on 15 October 2014 of 3 cents per share.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$2,026,882 (31 December 2013: \$258,045).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(28.23)</u>	<u>10.53</u>

The negative NTA backing reflects the composition of the companies that comprise PS&C Ltd and its controlled entities, being software services, information technology and staff recruitment businesses which when purchased typically result in significant levels of goodwill.

4. Control gained over entities

Name of entities (or group of entities)	Pure Hacking Pty Ltd
Date control gained	01/08/2014

\$

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material) 1,606,878

Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material) -

5. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Interim dividend payable	3.0	3.0
Final dividend paid	3.0	3.0

An interim fully franked dividend was declared on 19 February 2015 of 3 cents per share. The dividend is payable on 15 April 2015.

The record date for determining entitlement to the interim dividend is 31 March 2015.

A final fully franked dividend was paid on 15 October 2014 of 3 cents per share.

Previous period

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

6. Dividend reinvestment plans

PS&C Ltd does not have a dividend reinvestment plan.

7. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

8. Attachments

Details of attachments (if any):

This report should be read in conjunction with the Half Year Report of PS&C Ltd for the half-year ended 31 December 2014, which is attached.

9. Signed

Signed 

Kevin McLaine
Managing Director

Date: 19 February 2015

PS&C Ltd

ABN 50 164 718 361

Half Year Report - 31 December 2014

PS&C Ltd
Directors' report
31 December 2014

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of PS&C Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

Directors

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

Non-Executive Directors

Adrian Wischer (Chairman)	Resigned 27 November 2014
Cass O'Connor	
Terry Benfold	Appointed 30 October 2014 (Chairman from 27 November 2014)

Executive Directors

Kevin McLaine

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Provision of information and communications technology services

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$	\$
Final dividend for the year ended 30 June 2014 of 3 cents per ordinary share paid on 15 October 2014	1,517,216	-

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$2,026,882 (31 December 2013: \$258,045).

The consolidated results for the half year ended 31 December 2014 includes a newly acquired entity from 1 August 2014.

Please refer to the accompanying commentary.

Significant changes in the state of affairs

On 1 August 2014, PS&C Ltd purchased 100% of the shares in Pure Hacking Pty Ltd for an initial cash consideration of \$4,664,820. Further to this, 4,550,397 shares in PS&C Ltd were issued on 1 October 2014 at a price of 91.49 cents each and the current calculation of deferred consideration amounts to \$9,531,518. Further information on this acquisition is outlined in Note 8.

On 1 October 2014, PS&C Ltd issued 550,810 shares to the vendor of Hacklabs Pty Ltd in satisfaction of a \$503,962 post-completion payment.

On 22 August 2014, PS&C Ltd established a cash advance and working capital facility of \$9,000,000 with the ANZ bank.

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

PS&C Ltd
Directors' report
31 December 2014

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

A handwritten signature in black ink, appearing to read 'kmlaine', written over a light grey rectangular background.

Kevin McLaine
Managing Director

19 February 2015

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PS&C LIMITED AND ITS CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2014, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



NEXIA MELBOURNE
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne

19 February 2015

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PS&C Ltd
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31 December 2014

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General information

The financial statements cover PS&C Ltd as a consolidated entity consisting of PS&C Ltd and its subsidiaries. The financial statements are presented in Australian dollars, which is PS&C Ltd's functional and presentation currency.

PS&C Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8, 50 Queen Street, Melbourne VIC 3000

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 19 February 2015.

PS&C Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2014

	Note	Consolidated 31 Dec 2014 \$	31 Dec 2013 \$
Revenue	4	39,526,674	4,313,977
Expenses			
Third party materials and labour		(6,839,109)	(625,733)
Acquisition expenses		(417,660)	-
Employee benefits expense		(27,072,103)	(3,115,474)
Depreciation and amortisation expense		(101,668)	(10,737)
Other expenses		(1,662,030)	(177,806)
Finance costs		(548,833)	(1,165)
Profit before income tax expense		2,885,271	383,062
Income tax expense		(858,389)	(125,017)
Profit after income tax expense for the half-year attributable to the members of PS&C Ltd		2,026,882	258,045
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the members of PS&C Ltd		<u>2,026,882</u>	<u>258,045</u>
		Cents	Cents
Basic earnings per share		3.82	0.51
Diluted earnings per share		3.82	0.51

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

PS&C Ltd
Statement of financial position
As at 31 December 2014

	Note	Consolidated 31 Dec 2014 \$	30 Jun 2014 \$
Assets			
Current assets			
Cash and cash equivalents		5,001,151	5,552,129
Trade and other receivables		8,163,512	7,680,541
Inventories		71,802	15,600
Other		1,806,762	1,932,041
Total current assets		<u>15,043,227</u>	<u>15,180,311</u>
Non-current assets			
Property, plant and equipment		508,295	475,572
Intangibles	5	67,165,793	48,343,251
Deferred tax		1,676,290	1,090,775
Total non-current assets		<u>69,350,378</u>	<u>49,909,598</u>
Total assets		<u>84,393,605</u>	<u>65,089,909</u>
Liabilities			
Current liabilities			
Trade and other payables		5,407,919	4,258,660
Borrowings		4,894,526	-
Income tax		851,117	445,015
Employee benefits		841,115	543,183
Deferred Consideration		12,765,050	678,182
Other		1,960,320	3,580,598
Total current liabilities		<u>26,720,047</u>	<u>9,505,638</u>
Non-current liabilities			
Employee benefits		149,895	141,416
Deferred Consideration		6,076,418	9,203,961
Total non-current liabilities		<u>6,226,313</u>	<u>9,345,377</u>
Total liabilities		<u>32,946,360</u>	<u>18,851,015</u>
Net assets		<u>51,447,245</u>	<u>46,238,894</u>
Equity			
Issued capital	6	47,663,827	42,996,489
Reserves		31,346	-
Retained profits		3,752,072	3,242,405
Total equity		<u>51,447,245</u>	<u>46,238,894</u>

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

PS&C Ltd
Statement of changes in equity
For the half-year ended 31 December 2014

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2013	-	-	-	-
Profit after income tax expense for the half-year	-	-	258,045	258,045
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	258,045	258,045
<i>Transactions with members in their capacity as members:</i>				
Shares issued during the period	45,229,323	-	-	45,229,323
Costs associated with capital raising and IPO	(2,247,391)	-	-	(2,247,391)
Balance at 31 December 2013	<u>42,981,932</u>	-	<u>258,045</u>	<u>43,239,977</u>
Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2014	42,996,489	-	3,242,405	46,238,894
Profit after income tax expense for the half-year	-	-	2,026,882	2,026,882
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	2,026,882	2,026,882
<i>Transactions with members in their capacity as members:</i>				
Share-based payments	4,667,338	-	-	4,667,338
Employee share options reserve	-	31,346	-	31,346
Dividends paid (note 7)	-	-	(1,517,216)	(1,517,216)
Balance at 31 December 2014	<u>47,663,827</u>	<u>31,346</u>	<u>3,752,072</u>	<u>51,447,245</u>

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

PS&C Ltd
Statement of cash flows
For the half-year ended 31 December 2014

	Note	Consolidated 31 Dec 2014 \$	31 Dec 2013 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		43,345,672	4,930,432
Payments to suppliers and employees (inclusive of GST)		<u>(40,109,570)</u>	<u>(5,752,809)</u>
Interest received		3,236,102	(822,377)
Interest and other finance costs paid		39,458	1,542
Income taxes refunded/(paid)		<u>(1,402,743)</u>	<u>129,912</u>
Net cash from/(used in) operating activities		<u>1,724,716</u>	<u>(692,088)</u>
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	8	(5,532,921)	(16,588,340)
Payments for property, plant and equipment		<u>(120,083)</u>	<u>(20,000)</u>
Net cash used in investing activities		<u>(5,653,004)</u>	<u>(16,608,340)</u>
Cash flows from financing activities			
Proceeds from issue of shares	6	-	25,100,000
Proceeds from borrowings		4,894,526	-
Share issue transaction costs		-	(2,997,000)
Dividends paid	7	<u>(1,517,216)</u>	<u>-</u>
Net cash from financing activities		<u>3,377,310</u>	<u>22,103,000</u>
Net increase/(decrease) in cash and cash equivalents		(550,978)	4,802,572
Cash and cash equivalents at the beginning of the financial half-year		<u>5,552,129</u>	<u>-</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>5,001,151</u></u>	<u><u>4,802,572</u></u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Note 2. Restatement of comparatives

Reclassification

Final accounting for the business purchases that occurred during the financial year ended 30 June 2014 have been finalised resulting in increased deferred consideration and goodwill of \$4,687,078.

Statement of profit or loss and other comprehensive income

When there is a restatement of comparatives, it is mandatory to provide a statement of profit or loss and other comprehensive income for the half-year ended 31 December 2013. However, as there were no adjustments made, the consolidated entity has elected not to show the statement of profit or loss and other comprehensive income.

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 July 2013. However, as there were no adjustments made as at 1 July 2013, the consolidated entity has elected not to show the 1 July 2013 statement of financial position.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into 3 operating segments: People, Security and Communications. Operating segments are determined by distinguishable components whereby the risk and returns are different from the other segments.

Types of products and services

The principal products and services of each of these operating segments are as follows:

People	The People segment comprising Systems and People Pty Ltd is involved in providing contractors, contractor management and permanent recruitment
Security	The Security segment comprising Securus Global Consulting Pty Ltd, Hacklabs Pty Ltd and Pure Hacking Pty Ltd is involved in services and consulting around cyber security matters
Communications	The Communications segment comprising Allcom Networks Pty Ltd and Allcom Consulting Services Pty Ltd is involved in consulting and implementation of services around internet protocol telephony and network infrastructure

Intersegment transactions

There were no material transactions between operating segments

PS&C Ltd
Notes to the financial statements
31 December 2014

Note 3. Operating segments (continued)

Intersegment receivables, payables and loans

There are no intersegment receivables, payables or loans at the reporting date.

Operating segment information

	People	Security	Communications	Corporate	Intersegment eliminations/ unallocated	Total
Consolidated - 31 Dec 2014	\$	\$	\$	\$	\$	\$
Revenue						
Sales to external customers	23,591,802	5,889,676	10,255,233	-	(249,495)	39,487,216
Interest	23,301	12,155	3,536	466	-	39,458
Total revenue	23,615,103	5,901,831	10,258,769	466	(249,495)	39,526,674
EBITDA						
Depreciation and amortisation	(23,286)	(25,042)	(40,729)	(12,611)	-	(101,668)
Interest revenue	23,301	12,155	3,536	466	-	39,458
Finance costs	-	(4,637)	(1,907)	(542,289)	-	(548,833)
Profit/(loss) before income tax expense	1,611,175	2,120,879	972,380	(1,819,163)	-	2,885,271
Income tax expense						(858,389)
Profit after income tax expense						2,026,882
Assets						
Segment assets	8,109,395	5,823,010	6,571,881	72,918,868	(9,029,549)	84,393,605
Total assets						84,393,605
	People	Security	Communications	Corporate	Intersegment eliminations/ unallocated	Total
Consolidated - 31 Dec 2013	\$	\$	\$	\$	\$	\$
Revenue						
Sales to external customers	2,495,366	374,775	1,442,294	-	-	4,312,435
Interest	49	1,139	354	-	-	1,542
Total revenue	2,495,415	375,914	1,442,648	-	-	4,313,977
EBITDA						
Depreciation and amortisation	(2,500)	(637)	(7,532)	(68)	-	(10,737)
Interest revenue	49	1,139	354	-	-	1,542
Finance costs	-	(354)	(810)	-	-	(1,164)
Profit/(loss) before income tax expense	274,717	93,248	192,240	(177,143)	-	383,062
Income tax expense						(125,017)
Profit after income tax expense						258,045
Consolidated - 30 Jun 2014						
Assets						
Segment assets	8,575,646	3,508,975	4,721,711	55,055,256	(6,771,679)	65,089,909
Total assets						65,089,909

PS&C Ltd
Notes to the financial statements
31 December 2014

Note 4. Revenue

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
<i>Sales revenue</i>		
Sale of services	31,792,402	3,690,068
Sale of goods	7,694,814	622,367
	<u>39,487,216</u>	<u>4,312,435</u>
<i>Other revenue</i>		
Interest	39,458	1,542
Revenue	<u><u>39,526,674</u></u>	<u><u>4,313,977</u></u>

Note 5. Non-current assets - intangibles

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$	\$
Goodwill - at cost	67,163,828	48,341,286
Patents and trademarks - at cost	1,965	1,965
	<u><u>67,165,793</u></u>	<u><u>48,343,251</u></u>

Reconciliations

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

Consolidated	Goodwill \$	Patents and Trademarks \$	Total \$
Balance at 1 July 2014	48,341,286	1,965	48,343,251
Additions	314,619	-	314,619
Additions through business combinations (note 8)	18,507,923	-	18,507,923
Balance at 31 December 2014	<u><u>67,163,828</u></u>	<u><u>1,965</u></u>	<u><u>67,165,793</u></u>

PS&C Ltd
Notes to the financial statements
31 December 2014

Note 6. Equity - issued capital

	Consolidated			
	31 Dec 2014	30 Jun 2014	31 Dec 2014	30 Jun 2014
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>55,675,076</u>	<u>50,573,869</u>	<u>47,663,827</u>	<u>42,996,489</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2014	50,573,869		42,996,489
Issue of shares to vendors	1 October 2014	<u>5,101,207</u>	\$0.91	<u>4,667,338</u>
Balance	31 December 2014	<u>55,675,076</u>		<u>47,663,827</u>

Note 7. Equity - dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
Final dividend for the year ended 30 June 2014 of 3 cents per ordinary share paid on 15 October 2014	<u>1,517,216</u>	<u>-</u>

Note 8. Business combinations

On 1 August 2014 PS&C Ltd acquired 100% of the ordinary shares of Pure Hacking Pty Ltd. This is an IT Security business and operates in the Security division of the consolidated entity. Details of the purchase consideration, the net assets acquired and goodwill are set out below. The goodwill of \$18,507,923 represents the amount of consideration paid for the business acquisition less fair value of net assets, plus additional amounts paid for performance, both current and implied by forecasts. The acquired business contributed revenues of \$2,573,960 and profit after tax of \$1,078,521 to the consolidated entity for the period from 1 August 2014 to 31 December 2014. If the acquisition occurred on 1 July 2014, the half year contribution would have been profit after tax of \$1,123,944. Under the terms of the agreement, the parent entity may have to pay more (or less) than what has been provided for in deferred consideration if the entity's operating performance is better (or worse) than forecast for the purposes of calculating deferred consideration. The Directors are still assessing any potential impacts to the total consideration transferred whilst within the measurement period.

The deferred consideration amounts payable may be satisfied by way of an issue of shares at the Company's discretion.

Details of the acquisition are as follows:

	Fair value
	\$
Cash and cash equivalents	175,617
Trade receivables	756,683
Plant and equipment	14,308
Deferred tax asset	24,614
Security deposits	56,627
Trade payables	(47,607)
Provision for income tax	(389,555)
Employee benefits	(112,816)
Other liabilities	(626,080)
	<hr/>
Net liabilities acquired	(148,209)
Goodwill	18,507,923
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>18,359,714</u>
Representing:	
Cash paid or payable to vendor	4,664,820
PS&C Ltd shares issued to vendor	4,163,376
Deferred consideration	9,531,518
	<hr/>
	<u>18,359,714</u>
	<hr/>
Acquisition costs expensed to profit or loss	<u>417,660</u>

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
Cash used to acquire business, net of cash acquired:		
Acquisition-date fair value of the total consideration transferred	18,359,714	-
Less: cash and cash equivalents	(175,617)	-
Less: shares issued by company as part of consideration	(4,163,376)	-
Less: deferred consideration	(9,531,518)	-
	<hr/>	<hr/>
Net cash used	<u>4,489,203</u>	<u>-</u>

In addition to the above, a cash payment of \$633,462 was made to the vendor of Hacklabs Pty Ltd during the period, in satisfaction of a post-completion payment as per the terms of the agreement.

Note 9. Events after the reporting period

No matter or circumstance has arisen since 31 December 2014 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.

PS&C Ltd
Directors' declaration
31 December 2014

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read 'kmlaine', written in a cursive style.

Kevin McLaine
Managing Director

19 February 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS
OF PS&C LIMITED AND ITS CONTROLLED ENTITIES**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PS&C Limited & its controlled entities (the company), which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports 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:

- a. giving a true and fair view of the company's financial position as at 31 December 2014 and 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*.

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 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.

Nexia Melbourne

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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 the company, would be in the same terms if provided to the directors as at the time of this auditor's review report.

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 the company is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b. complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne

19 February 2015