Rule 4.2A.3

Appendix 4D

Half-year Report
For the period ended 31 December 2015

Name of entity

EASTON INVESTMENTS LIMITED

ABN

48 111 695 357

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

Current reporting period	The half-year ended 31 December 2015
Previous corresponding reporting period	The half-year ended 31 December 2014

2. Results for announcement to the market

a) Amount and percentage change compared to the previous corresponding period

	Half-year			
	2015 $	**2014 $**	**% Change**	**Up/ (Down)**
Revenue from ordinary activities	9,633,823	8,270,828	16	Up
Profit from ordinary activities after tax attributable to members	1,299,806	687,991	89	Up
Profit for the period attributable to members	1,299,806	687,991	89	Up

b) The amount per security and franked amount per security of final and interim dividends

No dividends were paid, declared or recommended since the start of the current reporting period.

c) The record date for determining entitlements to dividends (if any)

Not applicable.

d) A brief explanation of any of the figures reported above necessary to enable the figures to be understood

Commentary on the results for the half-year ended 31 December 2015 is provided in the 'Review of operations' section in the attached Interim Report.

In this Appendix 4D, the consolidated entity ("the Group") consists of Easton Investments Limited ("Easton" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

3. Net tangible assets per security with the comparative figure for the previous corresponding period

	Half-year 2015	Half-year 2014
Net tangible asset backing per ordinary security	27.07 cents	12.45 cents

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

a) Control gained over entities

Not applicable.

b) Control lost over entities

On 30 October 2015, the Group disposed of its 52.2% controlling interest in Chesterfields Financial Services Pty Ltd. The proceeds on disposal of $1,174,000 were received in cash and a profit on sale of $206,883 has been recognised in the condensed statement of comprehensive income for the half year. For more information refer to note 7 of the attached Interim Report.

5. Details of individual and total dividends or distributions and dividend or distribution payments

Not applicable.

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan

Not applicable.

7. Details of associates and joint venture entities

a) Details of associates

(i) First Financial Pty Ltd

Name of Entity	Percentage Held (%)		Share of Net Profit ($)	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
First Financial Pty Ltd (First Financial)	25	-	45,318	-

On 3 June 2015, the Group completed the acquisition of a 25% interest in First Financial. First Financial is a pre-eminent, Melbourne based, wealth management and financial services business, offering a range of services including:

- Financial planning and investment advice
- Finance broking
- Income protection and life (risk) insurance broking services
- Self-managed super fund (SMSF) administration

(ii) Hayes Knight (NSW) Pty Ltd and Hayes Knight Services (NSW) Pty Ltd

Name of Entity	Percentage Held (%)		Share of Net Profit ($)	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Hayes Knight (NSW) Pty Ltd and Hayes Knight Services (NSW) Pty Ltd (together, **HKNSW**)	33.3	30.6	112,997	93,272

On 19 March 2014 the Group completed the acquisition of a 30.6% interest in HKNSW (with an effective date of 1 February 2014) and subsequently a 3.9% additional interest on 1 July 2015, followed by a share issue to another shareholder in September 2015 diluting Easton's shareholding to 33.3%. HKNSW is an established, full service accounting firm based in Sydney providing a suite of professional accounting services including Business Services, Specialist Tax, Superannuation, Financial Planning and Corporate Finance. Pursuant to a service agreement the group pays fees to HKNSW for the following services:

- Professional fees relating to taxation compliance, accounting and consulting services
- Financial planning fees and insurance commissions
- Help desk and technical training support services
- Occupancy and infrastructure services

b) Details of joint venture entities

Not applicable.

8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards)

Not applicable.

9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification

Not applicable.

Kevin White
Executive Chairman

Sydney
22 February 2016

Easton Investments Limited ABN 48 111 395 357
Interim Report – 31 December 2015

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Easton Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Your directors present their report, together with the interim financial report on the consolidated entity ("the Group") consisting of Easton Investments Limited ("Easton" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2015, and the independent review report thereon. The interim financial report has been prepared in accordance with AASB134 Interim Financial Reporting.

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

Kevin W.White
Rodney Green
John G. Hayes
Carl F. Scarcella

Results and dividends

The net profit after tax of the Group for the half-year ended 31 December 2015 was $1.29 milllion (2014: $0.72 million).

No dividends were paid, declared or recommended since the start of the financial year.

Review of operations

The Group has continued its consecutive period earnings growth during the half-year ended 31 December 2015.

Operating revenue from continuing operations lifted to $9.63 million, up from $8.27 million in the previous corresponding period, an increase of 16%.

Strong earnings growth has come from both organic opportunities as the Group's key businesses build on prior performance and new business initiatives, as well as from contributions of acquisitions made in prior periods. Further analysis of earnings and performance of individual businesses is provided below.

Underlying profitability

The directors are of the view that the best guide to the underlying performance of the Group at an operational level is "**Normalised EBITA**" OR **"Underlying Profit"** which is defined as earnings before interest, tax and amortisation (**EBITA**) excluding the impact of:

- one-off non-operational items (acquisition-related costs, redundancy costs, impairment charges, and gains/losses on the sale of investments);
- non-cash amortisation charges relating to separately identifiable intangible assets acquired under business combinations; and
- share based payments expense.

Underlying profit continued to improve during the period, up 66% as presented in the following table:

Earnings Performance	Dec 15	Dec 14	Increase	Dec 13
	$'000	**$'000**	**%**	**$'000**
Operating revenue from continuing operations	9,634	8,271	*16%*	3,464
Net Profit/(Loss) After Tax [1]	1,291	717	*80%*	(820)
Underlying Profit [2]	**1,676**	**1,011**	***66%***	**34**

1. Net Profit After Tax includes profit attributable to Non-controlling Interests. Profit attributable to members is $1,299,806 (2014: $687,991).
2. Underlying Profit is a non-IFRS measure that the Group uses to assess performance as it excludes certain non-cash and one-off or non-operational items. See table below for reconciliation of Underlying Profit to Statutory Profit.

Normalisation adjustments have been applied as set out in the following reconciliation between the Group's Underlying Profit and the statutory reported result for the current and previous corresponding periods:

	31 December 2015 $'000	31 December 2014 $'000
Normalised EBITA from continuing operations	**1,507**	908
Normalised EBITA from discontinued operations	**169**	103
Normalised EBITA for the half-year	**1,676**	1,011[3]
Add/(deduct) normalisation adjustments:		
Write-back of contingent consideration not paid	**495**	494
Restructuring costs	**(202)**	(28)
Equity accounting adjustments for interest and tax[1]	**(139)**	(56)
Share based payments expense[2]	**(107)**	-
Gain on disposal of subsidiary	**207**	-
Reported EBITA for the half-year	**1,930**	1,421
Add/(deduct):		
Net interest expense	**(21)**	(17)
Notional interest on contingent consideration	**(59)**	(144)
Amortisation of separately identifiable intangible assets	**(266)**	(174)
Statutory operating profit before tax for the half-year	**1,584**	1,086
Income tax expense	**(293)**	(369)
Statutory profit after tax for the half-year	**1,291**	717
NPAT Attributable to Non-controlling interest	**(9)**	29
NPAT Attributable to Members	**1,300**	688

1. During the half year ended 31 December 2015, adjustments to gross up share of profits from equity accounted investments for interest and taxation have been applied to both HKNSW and First Financial. As the Group executes its strategy to acquire further equity accounted investments, this adjustment is seen necessary to compare wholly owned and partially owned businesses on a like for like basis.

2. During the year ended 30 June 2015, the directors formed the view that Underlying Profit is best represented by treating share based payments expense as a normalised item as the cost is both non-cash and the value varies from year to year as different probabilities are applied in the valuation model. For the half year ended 31 December 2014, $31k was expensed for share based payments however being prior to this policy change, was not added back to derive Normalised EBITA.

3. If the Group had applied a consistent normalisation adjustment policy for share based payments to the prior year, Normalised EBITA for the half year ending 31 December 2014 would have been $1,042k.

Earnings commentary

On a consolidated basis, the Group is tracking in line with expectations. All business units performed well other than Merit Wealth and Hayes Knight Referral Services that remained unprofitable in the first half. The performance of these two related business units continues to improve and in particular Merit Wealth is expected to realise a significant earnings uplift over the next twelve months due to its investment in the limited authorisation licensing area.

Knowledge Shop subscription member numbers continue to rise consistently and web-based training, being a strategic growth area, is performing strongly. During the period, the Group continued to invest in technology in order to scale up its online service capability.

Easton Asset Management's funds under contract distribution continued to increase strongly, rising to $580 million at balance date (30 June 2015: $538 million), an increase of 8% in the half-year period. The distribution contract is due for renewal in the first half of the 2016/17 year.

The equity accounted investments of Hayes Knight NSW and First Financial have both performed to expectation and have remitted dividends during the period.

Merit Wealth has made a small loss although the additional cost of investment in its Limited Authorisation offering contributed to this outcome. This investment is expected to lead to a positive contribution in the second half of this financial year growing sharply into the 2017 financial year. The financial planning business has performed as expected with the number of advisors remaining steady.

Hayes Knight Referral Services did not achieve the budgeted number of referral rights agreements for the period although there remains a number of potential transactions at various stages of negotiation. As stated below, the second tranche of deferred consideration for this business has been forfeited due to this under performance.

Earnings from Easton Wealth Protection were in line with expectations.

Net cash inflow from operating activities of $1.3 million (2014: $0.52 million) contributed to a further strengthening of the Company's financial position with cash reserves rising to $3.02 million (30 June 2015: $1.45 million). During the period a net $1.03 million was received for the sale of Chesterfields and a debt facility previously drawn to $655k at 30 June 2015 was repaid in full.

During the current period, the Company continued to investigate new business acquisitions, consistent with its strategic direction and selection criteria with the intent to build a leveraged distribution business in the Australian accounting and financial services sector. In this regard the Company negotiated to increase its investment in Law Central which was completed on 25 January 2016 as stated below.

Disposal of Chesterfields

On 30 October 2015, the Group disposed of its controlling interest in Chesterfields Financial Services Pty Ltd. The Chesterfields business was considered by the directors to no longer align to the Group's core growth strategy. The sale proceeds of $1.18 million form part of the current cash reserves of $3.02 million which is intended for other more strategically aligned investment opportunities. The results for Chesterfields, including a profit on disposal of $0.2 million are recognised to the date of disposal and are classified as a discontinued operation in the condensed statement of comprehensive income.

Deferred Consideration

The second tranche of deferred consideration of $0.5 million relating to the acquisition of the Hayes Knight Referral Services business has been forfeited as the prescribed performance hurdle in the 12-month period ended 31 January 2016 was not achieved and has been recognised in the condensed statement of comprehensive income as other income. One further annual tranche of deferred consideration of $0.5 million remains in place until 31 January 2017.

Outlook

The directors expect continued earnings growth in the 2nd half of the current financial year subject to normal trading conditions.

Strong organic growth is expected from core businesses as well as new and currently developing business opportunities including limited authorisations, online training and distribution income from Law Central.

In addition, the Company will seek to augment organic growth with acquired growth by continuing to assess acquisition prospects and new opportunities which are consistent with the Company's strategic direction.

The Directors believe that the Company has strong potential for sustained growth over coming years, both organic and by acquisition as it seeks to build a leveraged distribution business in the accounting and financial services channel.

Significant events after the balance date

On 25 January 2016, the Group executed an agreement to acquire an additional 32% equity interest in Law Central Pty Ltd for $445,000. The acquisition of the additional equity interest results in a total equity interest of 44.6% in Law Central, giving the Group significant influence over the future direction and development of the business including the distribution of its services throughout the Group's distribution channel.

After balance date, the market vesting condition for the first and second tranches of performance rights granted to Kevin White on 29 May 2013, being the Company's volume weighted 30 day average share price reaching $1.00 and $1.25 per share respectively, were satisfied. Upon reaching the 3 year employment term condition on 29 May 2016, Mr White will be eligible to receive 800,000 ordinary shares of the Company.

Auditors' independence declaration

A copy of the auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 9.

This report is made in accordance with a resolution of the directors.

Kevin White
Executive Chairman

Sydney
22 February 2016

EASTON INVESTMENTS LIMITED

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF EASTON INVESTMENTS LIMITED

In relation to the independent auditor's review for the half-year ended 31 December 2015, 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 any applicable code of professional conduct.

This declaration is in respect of Easton Investments Limited and the entities it controlled during the period.

N R BULL
Partner

22 February 2016

PITCHER PARTNERS
Melbourne

	Note	Half-year 2015 $'000	2014 $'000
Revenue from continuing operations			
Services		**9,613**	8,190
Other revenue		**21**	81
		9,634	8,271
Other income	10	**495**	494
Share of net profit of associates accounted for using the equity method		**158**	93
Expenses from continuing operations			
Fees and commissions		**(5,936)**	(4,884)
Salaries and employee benefits expense		**(1,947)**	(1,671)
Occupancy expenses		**(118)**	(176)
Professional fees		**(184)**	(203)
Administration expense		**(117)**	(233)
Other expenses		**(366)**	(330)
Finance costs		**(82)**	(183)
Depreciation and amortisation		**(94)**	(123)
Profit before income tax		**1,443**	1,055
Income tax expense		**(298)**	(337)
Profit from continuing operations for the half-year		**1,145**	718
Discontinued operation			
Profit from discontinued operation for the half-year	7	**146**	(1)
Profit for the half-year		**1,291**	717
Total comprehensive income for the half-year		**1,291**	717
Profit/(loss) for the half-year is attributable to:			
Non-controlling interests		**(9)**	29
Owners of the Company		**1,300**	688
		1,291	717
Total comprehensive income/(loss) for the half-year is attributable to:			
Non-controlling interests		**(9)**	29
Owners of the Company		**1,300**	688
		1,291	717
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
From continuing and discontinued operations			
Basic and diluted earnings per share		**4.74**	2.51
From continuing operations			
Basic and diluted earnings per share		**4.18**	2.51

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

	31 December 2015 $'000	30 June 2015 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**3,022**	1,450
Receivables	**1,533**	1,459
Other current assets	**127**	74
Total current assets	**4,682**	2,983
Non-current assets		
Equity accounted investments	**5,680**	5,542
Plant and equipment	**53**	78
Intangible assets	**13,557**	15,160
Investments	**164**	164
Deferred tax assets	**158**	464
Total non-current assets	**19,612**	21,408
Total assets	**24,294**	24,391
LIABILITIES		
Current liabilities		
Trade and other payables	**2,364**	2,088
Borrowings	**-**	655
Current tax liabilities	**-**	102
Provisions and employee benefits	**161**	247
Provision for contingent consideration	**59**	561
Other liabilities	**150**	142
Total current liabilities	**2,734**	3,795
Non-current liabilities		
Provisions and employee benefits	**49**	49
Provision for contingent consideration	**377**	311
Total non-current liabilities	**426**	360
Total liabilities	**3,160**	4,155
Net assets	**21,134**	20,236
EQUITY		
Contributed equity	**18,539**	18,539
Reserves	**374**	267
Retained earnings	**2,221**	921
Equity attributable to owners of the Company	**21,134**	19,727
Non-controlling interests	**-**	509
Total equity	**21,134**	**20,236**
Net tangible assets per share (cents)	**27.07**	16.84

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

Consolidated	**Ordinary shares $'000**	**Retained profits/ (accumulated losses) $'000**	**Reserves $'000**	**Owners of the parent $'000**	**Non-controlling interest $'000**	**Total $'000**
Balance at 1 July 2015	**18,539**	**921**	**267**	**19,727**	**509**	**20,236**
Profit for the half-year	-	1,300	-	1,300	(9)	1,291
Other comprehensive income	-	-	-		-	-
Total comprehensive profit for the half-year	-	1,300	-	1,300	(9)	1,291
Transactions with owners in their capacity as owners:						
Employee incentive plan	-	-	107	107	-	107
Disposal of non-controlling interest	-	-	-	-	(500)	(500)
Balance at 31 December 2015	**18,539**	**2,221**	**374**	**21,134**	**-**	**21,134**
Balance at 1 July 2014	**25,986**	**(7,660)**	**83**	**18,409**	**564**	**18,973**
Profit for the half-year	-	688	-	688	29	717
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit for the half-year	-	688	-	688	29	717
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	-	-	(67)	(67)
Employee incentive plan	-	-	32	32	-	32
Balance at 31 December 2014	**25,986**	**(6,972)**	**115**	**19,129**	**526**	**19,655**

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

	Half-year	
	2015	2014
	$'000	$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**10,755**	9,379
Payments to suppliers and employees (inclusive of goods and services tax)	**(9,438)**	(8,840)
	1,317	539
Interest received	**3**	22
Interest paid	**(23)**	(39)
Net cash inflow from operating activities	**1,297**	522
Cash flows from investing activities		
Net proceeds from disposal of subsidiary	**1,030**	-
Payment for investment in associate	**(184)**	-
Payments for property, plant and equipment	**(10)**	(47)
Dividends received	**206**	72
Net cash inflow from investing activities	**1,042**	25
Cash flows from financing activities		
Loan to subsidiary disposed of during the period	**(100)**	-
Loan related party	**(10)**	-
Repayments of borrowings	**(657)**[1]	(92)
Dividends paid to non-controlling interest in subsidiaries	**-**	(67)
Net cash outflow from financing activities	**(767)**	(159)
Net increase in cash and cash equivalents	**1,572**	388
Cash at the beginning of the half-year	**1,450**	2,591
Cash at the end of the half-year	**3,022**	2,979

1. During the period a Westpac $700k debt facility held by Easton Wealth Australia Pty Ltd, a wholly owned subsidiary of the Group, previously drawn to $655k at 30 June 2015 was repaid in full and subsequently terminated in February 2016.

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

1. Basis of preparation of half-year report

This financial report for the interim half-year reporting period ended 31 December 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Easton Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The company is of a kind referred to in ASIC Class Order CO 98/100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Accounting standards issued but not yet effective

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

AASB 2014-4: Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual reporting periods commencing on or after 1 January 2016).

This Amending Standard amends AASB 116: Property, Plant and Equipment and AASB 138: Intangible Assets, to establish the principle for the basis of depreciation and amortisation. This Standard is not expected to significantly impact the Group's financial statements.

AASB 2015-1: Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (applicable for annual reporting periods commencing on or after 1 January 2016).

This Amending Standard amends a number of Australian Accounting Standards including:

- AASB 119: Employee Benefits to clarify that the discount rates used to measure defined benefit obligations
- AASB 134: Interim Financial Reporting to clarify that certain disclosures may be incorporated in the interim financial statements by cross-reference to another part of the interim financial report.

This Standard is not expected to significantly impact the Group's financial statements.

AASB 2015-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 (applicable for annual reporting periods commencing on or after 1 January 2016).

This Amending Standard makes a number of amendments regarding the application of some of the presentation and disclosure requirements in AASB 101: Presentation of Financial Statements. These amendments are in relation to disclosure of accounting policies, disaggregation of certain line items in the financial statements, presentation order of notes, rules around subtotalling and rules of materiality for some specific items.

This Standard is not expected to significantly impact the Group's financial statements.

2. Accounting standards issued but not yet effective (continued)

AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will replace AASB 139: Financial Instruments: Recognition and Measurement. The key changes that may affect the Group on initial application of AASB 9 and associated amending Standards include:

- simplifying the general classifications of financial assets into those carried at amortised cost and those carried at fair value;
- permitting entities to irrevocably elect on initial recognition to present gains and losses on an equity instrument that is not held for trading in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';
- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- requiring impairment of financial assets carried at amortised cost based on an expected loss approach.

This Standard is not expected to significantly impact the Group's financial statements.

AASB 15: Revenue from Contracts with Customers and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards provide a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. To give effect to this principle, AASB 15 requires the adoption of a 5-step model.

The directors have not yet assessed the impact (if any) of changes in the standard above.

3. Segment information

(a) Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers **(CODMs)**. The CODMs, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors, the Managing Director and the Chief Financial Officer.

The consolidated entity has four reportable segments as described below:

- Wealth and asset management (comprising the Chesterfields Financial Services to 30 October 15, Easton Wealth Protection, Easton Asset Management and First Financial) which provide financial planning, risk insurance advice and broking, self-managed superannuation administration and a distribution platform for managed funds;
- Distribution services (comprising the Knowledge Shop, Merit Wealth, Hayes Knight Referral Services and Law Central) which provide professional support services and dealer group services primarily to the accounting profession;
- Accounting and tax (comprising the Hayes Knight (NSW) business) which is a traditional accounting practice; and
- Corporate which comprises the parent entity (Easton Investments Limited) and includes revenue from its treasury function and corporate costs.

Geographical Segments
The consolidated entity operated only in Australia during the current and prior reporting period.

3. Segment information (continued)

(b) Basis of accounting for purposes of reporting by operating segments

The basis of accounting used for reporting by operating segments is consistent with that disclosed in the Group's 2015 Annual Report.

(c) Segment results

The segment information provided on reportable segments for the half-year ended 31 December 2015 is as follows:

Consolidated Half-year 2015	**Wealth and asset management $'000**	**Distribution services $'000**	**Accounting and tax $'000**	**Corporate $'000**	**Total $'000**
Revenue from continuing operations					
Services	5,218	4,395	-	-	9,613
Other revenue	18	1	-	2	21
Total revenue from continuing operations	**5,236**	**4,396**	**-**	**2**	**9,634**
Normalised EBITA – continuing operations	**1,188**	**735**	**194**	**(610)**	**1,507**
Normalised EBITA – discontinued operations	**169**	**-**	**-**	**-**	**169**
Normalised EBITA – (non IFRS)	**1,357**	**735**	**194**	**(610)**	**1,676**
Normalisation adjustments					
Write back of contingent consideration	**-**	495	**-**	**-**	**495**
Restructuring costs	(187)	-	-	(15)	**(202)**
Equity accounted adjustments for interest and tax	(72)	-	(67)	-	**(139)**
Share based payments	(92)	-	-	(15)	**(107)**
Gain on disposal of subsidiary	207	-	-	-	**207**
Statutory EBITA					**1,930**
Interest revenue					**3**
Finance costs					**(83)**
Amortisation					**(266)**
Net profit before tax from continuing and discontinuing operations					**1,584**
Less net profit before tax from discontinuing operations					**(141)**
Net profit before tax from continuing operations					**1,443**
Significant items of segment expenses					
Fees and commissions	3,777	2,159	-	-	**5,936**
Salaries and employee benefits	422	1,075	-	450	**1,947**
Professional fees	-	99	-	85	**184**
Finance costs	11	71	-	-	**82**

3. Segment information (continued)

(c) Segment results (continued)

The segment information provided on reportable segments for the half-year ended 31 December 2014 is as follows:

Consolidated Half-year 2014	**Wealth and asset management $'000**	**Distribution services $'000**	**Accounting and tax $'000**	**Corporate $'000**	**Total $'000**
Revenue from continuing operations					
Services	4,297	3,922	-	-	8,219
Other revenue	-	2	-	50	52
Total revenue from continuing operations	**4,297**	**3,924**	**-**	**50**	**8,271**
Normalised EBITA – continuing operations	**914**	**438**	**164**	**(608)**	**908**
Normalised EBITA – discontinued operations	**103**	**-**	**-**	**-**	**103**
Normalised EBITA – (non IFRS)	**1,017**	**438**	**164**	**(608)**	**1,011**
Normalisation adjustments					
Write back of contingent consideration	-	494	-	-	**494**
Restructuring costs	-	-	-	(28)	**(28)**
Equity accounted adjustments for interest and tax	-	-	(56)	-	**(56)**
Statutory EBITA					**1,421**
Interest revenue					**22**
Finance costs					**(183)**
Amortisation					**(174)**
Net profit before tax from continuing and discontinuing operations					**1,086**
Less net profit before tax from discontinuing operations					(31)
Net profit before tax from continuing operations					**1,055**
Significant items of segment expenses					
Fees and commissions	3,714	1,170	-	-	**4,884**
Salaries and employee benefits	318	1,036	-	317	**1,671**
Professional fees	-	119	-	84	**203**
Finance costs	25	158	-	-	**183**

4. Dividends

No dividends were paid, declared or recommended since the start of the financial year.

5. Equity securities issued

No equity securities were issued during the half-year ended 31 December 2015.

6. Business combinations

The Group did not acquire a business during the current reporting period or the prior corresponding reporting period.

7. Disposal of subsidiary

(a) On 30 October 2015 the Group disposed on its 52.2% controlling interest in Chesterfields Financial Services Pty Ltd (CFS) for cash proceeds of $1,174,000. A gain of $206,883 relating to the disposal has been recognised in the condensed statement of comprehensive income during the period.

(b) Profit for the half-year from the discontinued operation is analysed as follows:

	4 months to 30 October 2015 $'000	6 months to 31 December 2014 $'000
(Loss)/profit for the half-year	**(61)**	62
Gain on disposal of CFS	**207**	-
	146	62

(c) Financial performance and cashflow information for the half-year for CFS:

	4 months to 30 October 2015 $'000	6 months to 31 December 2014 $'000
Revenue	**494**	614
Operating expenses	**560**	521
(Loss)/profit before tax	**(66)**	93
Income tax benefit/(expense)	**5**	(31)
(Loss)/profit after income tax	**(61)**	62

	4 months to 30 October 2015 $'000	6 months to 31 December 2014 $'000
Net cash outflow from operating activities	**(42)**	(6)
Net cash outflow from investing activities	**-**	(7)
Net cash inflow from financing activities	**100**[1]	-
Net increase/(decrease) in cash generated by CFS	**58**	(13)

1. The Group has made a loan to CFS for $100k to assist with working capital requirements during its transition out of the Easton Group. The loan is interest free until maturity date at 30 June 2016 and will incur interest at the rate of 10%pa beyond that time.

7. Disposal of subsidiary (continued)

(d) Details of the sale of CFS is as follows:

	30 October 2015 $'000
Cash consideration received	**1,174**
Add:	
Non-controlling interest	**500**
Net effect of reversal of referral rights agreement previously eliminated	**72**
Less:	
Net assets disposed of including intangible assets	**(1,539)**
Gain on disposal	**207**

8. Contingencies

There were no contingent liabilities as at 31 December 2015 other than contingent consideration referred to in note 10 (2014: Nil).

9. Significant events occurring after balance date

On 25 January 2016, the Group executed an agreement to acquire an additional 32% equity interest in Law Central Pty Ltd for $445,000. The acquisition of the additional equity interest results in a total equity interest of 44.6% in Law Central, giving the Group significant influence over the future direction and development of the business including the distribution of its services throughout the Group's distribution channel.

After balance date, the market vesting condition for the first and second tranches of performance rights granted to Kevin White on 29 May 2013, being the Company's volume weighted 30 day average share price reaching $1.00 and $1.25 per share respectively, were satisfied. Upon reaching the 3 year employment term condition on 29 May 2016, Mr White will be eligible to receive 800,000 ordinary shares of the Company.

10. Fair value of investments

The fair value of financial assets and financial liabilities approximate their carrying amounts as disclosed in the condensed consolidated statement of financial position and notes to the condensed financial statements.

The Group has recorded contingent consideration on the purchase of the HKNSW Businesses at fair value. This contingent consideration is a level 3 financial liability within the fair value hierarchy.

The valuation technique used to fair value the provision for contingent consideration is discounted cash flow and the significant unobservable input is a discount rate of 15%. If the discount rate changed by +/- 1% (100 basis points), assuming all other variables held constant the effect on pre-tax profit would not be material.

Movements in the fair value of the provision for contingent consideration are as follows:

	Half-year	
	2015 $'000	2014 $'000
At 1 July	**872**	1,901
Fair value adjustments during the period	**59**	145
Forfeiture of deferred consideration payable	**(495)**[1]	(494)[1]
At 31 December	**436**	1,552

1. Both the first and second tranches of deferred consideration of $0.5 million each for the acquisition of the Hayes Knight Referral Services business have been forfeited as the prescribed performance hurdles in the 12-month periods ending 31 January 2015 and 2016 were not achieved. One further annual tranche of deferred consideration of $0.5 million remains in place ending on 31 January 2017.

The directors declare that the condensed financial statements and notes of the consolidated entity set out on pages 10 to 19 in accordance with the *Corporations Act 2001*:

(i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001,* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the financial position of the consolidated entity as at 31 December 2015 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Easton Investments 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 the directors.

Kevin White

Kevin White
Executive Chairman

Sydney
22 February 2016

EASTON INVESTMENTS LIMITED
ABN 48 111 695 357
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
EASTON INVESTMENTS LIMITED

We have reviewed the accompanying half-year financial report of Easton Investments Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2015, 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 of the consolidated entity comprising the company and the entities it controlled at the period's 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 2015 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 Easton Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

PITCHER PARTNERS

EASTON INVESTMENTS LIMITED
ABN 48111695357
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
EASTON INVESTMENTS LIMITED

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 Easton Investments 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 2015 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*.

N R BULL
Partner

22 February 2016

PITCHER PARTNERS
Melbourne