

Ultima United Limited

Appendix 4D

Half Year Report

For the period ended 31 December 2019

(Previous corresponding period: 31 December 2018)

Results for announcement to the market

	31 Dec 2019 Current Period	<i>Percentage Change Up / (Down)</i>	Change Up / (Down)	31 Dec 2018 Previous Corresponding Period
	\$	%	\$	\$
Revenue from ordinary activities	466,280	100%	466,280	-
Loss from ordinary activities after tax	(128,465)	48%	120,171	(248,636)
Net Loss for the period attributable to members	(128,465)	48%	120,171	(248,636)

Dividends

The Company does not propose to pay any dividends in the current period.

Net tangible assets per security

	Current Period (31 Dec 2019)	Previous Corresponding Period (31 Dec 2018)
Cents per ordinary share	5.7 cents	7.2 cents

Details of entities over which control has been gained or lost

Control gained over entities

N/A

Control lost over entities

N/A

Details of Associates / Joint Ventures

N/A

Accounting Standards

For foreign entities, the set of accounting standards used in compiling the report:

N/A

Auditor's review report

For all entities, if the accounts are subject to audit dispute or qualification, include a description of the dispute or qualification.

N/A

Ultima United Limited

ACN 123 920 990

**Half Year Report
31 December 2019**

COMPANY DIRECTORY

Executive Chairman & Managing Director

(Simon) Xing Yan

Executive Director

Eric Kong

Non-Executive Director

(James) Zixi Ban

Li Yi

Company Secretary

Piers Lewis

Victor Goh

Principal and Registered Office

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Como WA 6152

Telephone: (08) 6436 1888

Facsimile: (08) 9367 3311

Auditors

Moore Stephens

Level 15 Exchange Tower

2 The Esplanade

PERTH WA 6000

Share Registrar

Advanced Share Registry Services

110 Stirling Highway

NEDLANDS WA 6009

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Securities Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Codes: UUL

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DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1) BOARD OF DIRECTORS

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Directors	Position
(Simon) Xing Yan	Executive Chairman & Managing Director
Eric Kong	Executive Director
(James) Zixi Ban	Non-Executive Director
Li Yi	Non-Executive Director

2) REVIEW OF OPERATIONS

PROPERTY DEVELOPMENT

3 Oak Street, Cannington, Western Australia

The property development at 3 Oak Street, Cannington is complete, with the Company marketing the units for sale.

Whilst the Company works to sell the units, it has organised for the units to be leased. As of the date of this report, one of the twelve units has been sold.

19-21 Tate Street, Bentley, Western Australia

During the 30 June 2017 financial year the Company applied for and received authority to amalgamate 19 & 21 Tate Street, Bentley into one property, and development approval (subject to conditions) from the City of Canning for the construction of 14 apartments at 19 & 21 Tate Street, Bentley, with 10 apartments having 2 bedrooms and 2 bathrooms and 4 apartments having 1 bedroom and 1 bathroom.

The Company is looking into the viability of developing special disability accommodation units under the National Disability Insurance Scheme ("NDIS") for the Company's property at 19-21 Tate Street Bentley. It is currently in design drafting and feasibility stage.

3) FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December 2019 are:

	31/12/2019	30/06/2019	% Change
Cash and cash equivalents (\$)	110,153	289,611	(62%)
Net assets (\$)	1,685,268	1,813,733	(7%)

	31/12/2019	31/12/2018	% Change
Revenue (\$)	466,280	-	100%
Net loss after tax (\$)	(128,465)	(248,636)	48%
Loss per share (cents per share)	(0.44)	(0.85)	48%

4) EVENTS SUBSEQUENT TO REPORTING DATE

On 26 February 2020, the Company finalised a \$189,000 increase to its Westpac Banking Facility limit which has been drawn down.

There have not been any other significant events that have arisen since 31 December 2019 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

5) AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Moore Stephens, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Eric Kong

Executive Director

Signed at Perth this 28th day of February 2020

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF ULTIMA UNITED LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



GREG GODWIN
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of February 2020

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Notes	31 December 2019	31 December 2018
		\$	\$
Revenue	2A	466,280	-
Cost of Sales	2B	(302,341)	-
Gross Profit		163,939	-
Administration expenses		(11,271)	(3,239)
Consultancy expenses		(18,903)	(21,350)
Depreciation expense		(309)	(523)
Employee benefit expenses		(157,016)	(152,591)
Finance costs		(69,955)	(30,939)
Legal and compliance expenses		(27,902)	(31,119)
Net gain on financial assets held at fair value		(692)	(2,767)
Occupancy expenses		(6,356)	(6,108)
Loss before income tax expense		(128,465)	(248,636)
Income tax expense		-	-
Net loss for the period		(128,465)	(248,636)
Other comprehensive Income		-	-
Total comprehensive income for the period		(128,465)	(248,636)
Basic and diluted loss per share (cents per share)		(0.44)	(0.85)

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	31 December 2019	30 June 2019
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		110,153	289,611
Trade and other receivables		25,028	9,769
Inventories	3	3,117,305	3,398,390
TOTAL CURRENT ASSETS		3,252,486	3,697,770
NON CURRENT ASSETS			
Inventories	4	1,181,610	1,173,421
Financial assets	5	7,090	7,782
Plant and equipment		-	309
TOTAL NON CURRENT ASSETS		1,188,700	1,181,512
TOTAL ASSETS		4,441,186	4,879,282
CURRENT LIABILITIES			
Trade and other payables		44,407	40,126
Provision		122,710	109,099
Borrowings	6	58,932	2,161,753
TOTAL CURRENT LIABILITIES		226,049	2,310,978
NON-CURRENT LIABILITIES			
Borrowings	6	2,529,869	754,571
TOTAL NON-CURRENT LIABILITIES		2,529,869	754,571
TOTAL LIABILITIES		2,755,918	3,065,549
NET ASSETS		1,685,268	1,813,733
EQUITY			
Issued capital		8,097,337	8,097,337
Reserves		482,267	482,267
Accumulated losses		(6,894,336)	(6,765,871)
TOTAL EQUITY		1,685,268	1,813,733

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2018	7,714,827	482,267	(6,227,772)	1,969,322
Loss for the period	-	-	(248,636)	(248,636)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(248,636)	(248,636)
Transactions with owners in their capacity as owners:				
Issue of shares	382,510	-	-	382,510
Balance at 31 December 2018	8,097,337	482,267	(6,476,408)	2,103,196
Balance at 1 July 2019	8,097,337	482,267	(6,765,871)	1,813,733
Loss for the period	-	-	(128,465)	(128,465)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(128,465)	(128,465)
Transactions with owners in their capacity as owners:				
Issue of shares	-	-	-	-
Balance at 31 December 2019	8,097,337	482,267	(6,894,336)	1,685,268

The accompanying notes form part of this financial report

**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

Notes	31 December 2019	31 December 2018
	\$	\$
Cash flows from operating activities		
Receipts from customers	466,280	-
Payments to suppliers and employees	(240,071)	(182,245)
Interest and other income	-	-
Finance costs	(69,955)	(30,939)
Net cash used in operating activities	156,254	(213,184)
Cash flows from investing activities		
Payment for property development	(8,189)	(354,634)
Net cash used in investing activities	(8,189)	(354,634)
Cash flows from financing activities		
Proceeds from the issue of shares	-	382,510
Proceeds from borrowings	-	313,200
Repayment of borrowings	(327,523)	(48,281)
Net cash provided by financing activities	(327,523)	647,429
Net increase / (decrease) in cash and cash equivalents held	(179,458)	79,611
Cash and cash equivalents at beginning of period	289,611	438,625
Cash and cash equivalents at end of reporting period	110,153	518,236

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report comprises general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Ultima United Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Basis of Preparation

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The same accounting policies and methods of computation have been followed in this half-year report as were applied in the most recent annual financial statements.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

Going Concern

The half year financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of their liabilities in the normal course of business.

As disclosed in the half year financial report, the Company recorded an operating loss for the period ended 31 December 2019 of \$128,465 (31 December 2018: \$248,636) and a cash inflow from operating activities of \$156,254 for the period ended 31 December 2019 (31 December 2018: cash outflow \$213,184) and at reporting date, had a working capital surplus of \$3,026,437 (30 June 2019: \$1,386,792).

During the period, the Westpac loan was rolled over for two years and is now due on 30 November 2021. Furthermore, as described in Note 9, subsequent to balance date the Company has finalised an increase in the facility of the Westpac loan by \$189,000.

The ability of the Company to continue as a going concern is principally dependent upon the successful sale of the units at the 3 Oak Street, Cannington project.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts which assumes the sale of all the units and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Inventories

Inventories and work in progress are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost includes the cost of acquisition, development costs, holding costs and directly attributable interest on borrowed funds where the development is a qualifying asset. Capitalisation of borrowing costs is ceased during extended periods in which active development is interrupted. When a development is completed and ceases to be a qualifying asset, borrowing costs and other costs are expensed as incurred.

Current and Non-current Inventory Assets

Inventory is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded; or
- it is expected to be realised within twelve months of the reporting date.

All other inventory is treated as non-current.

Significant Accounting Judgment and Key Estimates

In the half-year ended 31 December 2019, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019.

New and Amended Standards Adopted by the Company

The Company has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Company had to change its accounting policies and as a result of adopting the following Standard:

- AASB 16: Leases

The impact of the adoption of this Standard and the respective accounting policies is disclosed below.

a. Leases

The Company as lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company as lessor

Upon entering into each contract as a lessor, the Company assesses if the lease is a finance or operating lease.

A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Company's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Company applies AASB 15 to allocate the consideration under the contract to each component.

b. Initial Application of AASB 16: Leases

The Company has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2018 reporting period have not been restated.

Based on the assessment by the Company, it was determined there was no impact on the Company as it has a low value lease. As such, the Company has not recognised a lease liability and right-of-use asset for this lease.

There has been no significant change from prior year treatment for leases where the Company is a lessor.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

NOTE 2: PROFIT AND LOSS

	31 December 2019	31 December 2018
	\$	\$
2A: REVENUE		
Rental revenue	105,744	-
Revenue from sale of inventories	360,536	-
Total Revenue	466,280	-
2B: COST OF SALES		
Rental properties	20,640	-
Sale of inventories	281,701	-
Total Cost of sales	302,341	-

NOTE 3: INVENTORIES (Current)

	31 December 2019	30 June 2019
	\$	\$
Costs carried forward in respect of interest in properties - Oak Street, Cannington:		
At the beginning of the reporting period	3,398,390	3,030,478
Additions during the period	616	323,021
Disposal during the period	(281,701)	-
Borrowing costs capitalised	-	44,891
Balance at reporting date	3,117,305	3,398,390

NOTE 4: INVENTORIES (Non-Current)

	31 December 2019	30 June 2019
	\$	\$
Costs carried forward in respect of interest in properties - Tate Street, Bentley:		
At the beginning of the reporting period	1,173,421	1,169,221
Additions during the period	8,189	4,200
Non-current balance at reporting date	1,181,610	1,173,421

NOTE 5: FINANCIAL ASSETS

	31 December 2019	30 June 2019
	\$	\$
Non-Current		
Listed shares at fair value	7,090	7,782
Total financial assets at fair value through profit or loss	7,090	7,782

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

NOTE 6: BORROWINGS

	31 December 2019	30 June 2019
	\$	\$
Current		
Loan from financial institutions (i)	58,932	2,161,753
	58,932	2,161,753
Non-Current		
Loan from financial institutions (i)	2,529,869	754,571
	2,529,869	754,571
Total Borrowings	2,588,801	2,916,324

(i) Terms and conditions:

NATIONAL AUSTRALIA BANK FACILITY

Facility:	Business Loan
Facility Limit:	\$945,000
Loan Type:	Variable Rate Interest Only (100% offset)
Loan Term:	30 Years – Expires 10/07/2045
Interest Rate:	4.70% per annum
Security:	Registered Mortgage over property situated at 19 and 21 Tate Street Bentley WA 6102
Covenants:	There are no covenants to be complied with

WESTPAC BANKING FACILITY

During the period, Ultimate United Limited has had a variation:

Facility:	Bank Bill Business Loan
Facility Limit:	\$1,790,000
Loan Type:	Variable Rate Interest Only
Loan Term:	2 Years– Expires 30/11/2021
Interest Rate:	2.47% per annum
Facility Fee:	1% per annum

The total facility of \$1,790,000 is secured by the following:

- Limited Guarantee and Indemnity by Xing Yan.
- Limited Guarantee and Indemnity by S & A Holding (Aust) Pty Ltd supported by:
 - General Security Agreement by S & A Holding (Aust) Pty Ltd over all existing and future assets and undertakings.
 - Mortgage by S & A Holding (Aust) Pty Ltd over the property located at 1 Tamara Drive Cockburn Central, WA 6164.
- Mortgage by Ultima United Limited over the property located at 3 Oak Street Cannington, WA 6107
- General Security Agreement by Ultima United Limited over all existing and future assets and undertakings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

NOTE 7: OPERATING SEGMENTS

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company operates in one geographical and business segment being property development in Australia. All segment assets, segment liabilities and segment results relate to the one segment and therefore no segment analysis has been prepared.

NOTE 8: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

On 26 February 2020, the Company finalised a \$189,000 increase to its Westpac Banking Facility limit which has been drawn down.

There have not been any other significant events that have arisen since 31 December 2019 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 10: FINANCIAL INSTRUMENTS

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

The Directors consider that the carrying value of the financial assets and financial liabilities are recognised in the financial statements approximate their fair values.

	31 December 2019		30 June 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	110,153	110,153	289,611	289,611
Trade and other receivables	25,028	25,028	9,769	9,769
Financial assets at fair value through profit or loss	7,090	7,090	7,782	7,782
	142,271	142,271	307,162	307,162
Financial Liabilities				
Trade and other creditors	44,407	44,407	40,126	40,126
Borrowings	2,588,801	2,588,801	2,916,324	2,916,324
	2,633,208	2,633,208	2,956,450	2,956,450

NOTE 11: COMMITMENTS

The Company did not have any capital expenditure commitments as at 31 December 2019.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on 5 to 14:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



Eric Kong

Executive Director

Signed at Perth this 28th day of February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ULTIMA UNITED LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Ultima United Limited (the company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, the 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.

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 2019 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter - Material Uncertainty Related to Going Concern

In forming our conclusion on the half-year financial report, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the half-year financial report concerning the Company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's half-year financial report does not include any adjustments that would result if the Company were unable to continue as a going concern.

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.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ULTIMA UNITED LIMITED (CONTINUED)**

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 2019 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.

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.



GREG GODWIN
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of February 2020.