



Coventry Group Ltd

ABN 37 008 670 102

Appendix 4D

Half-year report for the six months ended 31 December 2015

Reporting Period

Report for the half-year ended 31 December 2015.

Previous corresponding period is the financial year ended 30 June 2015 and half-year ended 31 December 2014.

Results for announcement to the market

	31 Dec 2015	31 Dec 2014	Change	Change
	\$M	\$M	\$M	%
Revenues from ordinary activities	92,123	99,565	(7,442)	7.5
Profit (Loss) from ordinary activities after tax attributable to members	(1,017)	(3,563)	2,546	71.5
Net Profit (Loss) for the period attributable to members	(1,017)	(3,563)	2,546	71.5

Dividends

No dividends have been declared in relation to the half-year ended 31 December 2015.

Ordinary dividends of \$0.9M (2014 \$8.4M) were paid during the period.

		<u>Amount per security</u>	<u>Franked amount per security at 30% tax</u>
Interim dividend	current period	NIL	N/A
	previous corresponding period	4.25 cents	4.25 cents
Special dividend	current period	NIL	N/A
	previous corresponding period	17.5 cents	17.5 cents

The Company's Dividend Reinvestment Plan remains suspended.

Net Tangible Assets Per Security

As at 31 December 2015	\$2.09
As at 31 December 2014	\$3.20

The financial information provided in the Appendix 4D is based on the half-year condensed consolidated financial report (attached).

The attached financial statements and Directors' declaration have been subject to an independent audit review.



Coventry Group Ltd

ABN 37 008 670 102
and controlled entities

Financial report for the half-year ended 31 December 2015

This half-year financial report is to be read in conjunction with the
financial report for the year ended 30 June 2015

Coventry Group Ltd and its controlled entities

Financial report for the half-year ended 31 December 2015

Contents	Page
Directors' report	3
Auditor's Independence Declaration	5
Condensed consolidated statement of comprehensive income	6
Condensed consolidated statement of financial position	7
Condensed consolidated statement of changes in equity	8
Condensed consolidated statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	13
Independent Auditor's Review Report	14

Coventry Group Ltd

Directors' report

For the six months ended 31 December 2015

The directors present their report together with the consolidated financial statements of Coventry Group Ltd (the Company) and its controlled entities (the Group) for the six months ended 31 December 2015.

Directors

The directors of the Company at any time during the six month period ended 31 December 2015 and up to the date of this report are:

Name	Period of Directorship
Non-executive	
Neil George Cathie	Director since September 2014, Chairman since January 2015
Kenneth Royce Perry	Director since September 2009
Nicholas John Willis	Director since September 2014
Vicky Papachristos	Director since April 2015
Executive	
Peter John Batman Caughey	CEO & Managing Director since January 2015

Review of operations

Revenue for the six months ending 31 December 2015 was down 7.5% to \$92.1 million (2014: \$99.6 million) and the Group recorded a loss after income tax of \$0.8 million. This is a \$2.5 million improvement from the prior comparative period (2014: \$3.3 million loss).

The Strategic Review initiatives announced on 9 February 2015 are starting to positively impact operating performance. These initiatives include the sale of the MSS business, the amalgamation of Konnect and Artia operations (Trade Distribution), the merging of some Konnect and Coopers branches in appropriate geographies, Distribution Centre rationalisation (14 DC's to 4) and a group-wide reduction in operating costs. Whilst substantial activity continues in order to achieve a lower cost of doing business, sales growth, particularly in trade distribution, remains the priority for the board and management.

As part of the restructure, the Board approved the implementation of a Warehouse Management System to give the Trade Distribution business the tools necessary to operate more efficiently and provide better service. As announced previously and as part of the restructure, the final Distribution Centre closure took place in August 2015 completing the Distribution Centre rationalisation program that has seen 14 centres become four. Increasing our ability to deliver on time and in full to our customers and network of branches is key to sales growth. Declining sales over the past seven years has, in part, been a consequence of inadequate distribution systems and processes. The Board and management are committed to achieving market leading service levels and our investment in people and technology are now aligned with that goal. During the period 3 new Trade Distribution branches commenced trading (5 since 1 January 2015). The Board plans to continue a program of new branch openings with 4 new branches opened since the end of the period.

Over the period in review the Cooper Fluid Systems business has continued to develop its niche service capability. In support of this strategy significant investment has been made in equipment to increase the businesses specialist capacity in servicing developing market opportunities, while leveraging off existing client relationships. This focus continues to provide a level of growth in a depressed market and has greatly assisted the business in replacing a decline in revenue associated with a major slowing capital investment across the mining industry.

AA Gaskets is the market leader in specialised gaskets for the spare parts auto sector. Pleasingly, sales and earnings for the Gaskets business were up on the previous corresponding period.

The markets in which the Group's businesses largely operate remain somewhat subdued. The Board is confident the structural and operational changes being made will allow these businesses to better compete and be better prepared when markets improve.

As previously stated, the Board is now placing greater emphasis on actual Company performance when considering dividends. As a consequence of the loss recorded for the six months ending 31 December 2015, the Board has determined that no interim dividend be declared.

Subsequent Events

AA Gaskets has negotiated the sale of their land & buildings for a consideration of \$3.9m with the sale date expected to be 30 March 2016.

Significant changes in the state of affairs

Other than those matters reported, there have been no significant changes in the consolidated group's state of affairs during the financial period.

Coventry Group Ltd
Directors' report (continued)
For the six months ended 31 December 2015

Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the six months ended 31 December 2015.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:



N.G. CATHIE
Chairman

Melbourne
26 February 2016



P.J.B. CAUGHEY
CEO and Managing Director

Melbourne
26 February 2016



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Coventry Group Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2015 there have been:

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

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Matthew Beevers', with a horizontal line extending to the right.

Matthew Beevers
Partner

Melbourne

26 February 2016

Coventry Group Ltd and its controlled entities
Condensed consolidated statement of comprehensive income
For the six months ended 31 December 2015

In thousands of AUD	Note	*Represented	
		2015	2014
Continuing operations			
Revenue from sale of goods		92,123	99,565
Cost of sales		(55,636)	(61,308)
Gross profit		36,487	38,257
Other revenue		2,126	2,049
Employment costs		(22,513)	(25,415)
Occupancy costs		(5,037)	(5,066)
Freight		(3,297)	(3,040)
Depreciation and amortisation expense		(1,651)	(2,295)
Communication costs		(911)	(1,318)
Vehicle operating costs		(857)	(1,065)
Restructuring and other related costs		(920)	(630)
Other expenses		(4,758)	(6,128)
Loss before financial income and tax		(1,331)	(4,651)
Financial income, including net foreign exchange gain		208	605
Financial expense, including net foreign exchange loss		-	(78)
Net financial income		208	527
Loss before income tax		(1,123)	(4,124)
Income tax benefit		359	1,199
Loss from continuing operations		(764)	(2,925)
Discontinued operation			
Loss from discontinued operation, net of income tax		-	(416)
Loss for the half year		(764)	(3,341)
Other comprehensive income/(loss):			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		734	353
Effective portion of changes in fair value of cash flow hedges		(59)	250
Other comprehensive income for the half year, net of income tax		675	603
Total comprehensive loss for the half year		(89)	(2,738)
(Loss)/profit attributable to:			
Owners of the Company		(1,017)	(3,563)
Non-controlling interests		253	222
Loss for the half year		(764)	(3,341)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(319)	(2,951)
Non-controlling interests		230	213
Total comprehensive loss for the half year		(89)	(2,738)
Loss per share:			
Basic loss per share:		(2.7) cents	(9.3) cents
Diluted loss per share:		(2.7) cents	(9.3) cents
Loss per share - continuing operations:			
Basic loss per share:		(2.7) cents	(8.2) cents
Diluted loss per share:		(2.7) cents	(8.2) cents

* The representation relates to the reclassification of the Managed System Services (MSS) operations that were discontinued March 2015

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

Coventry Group Ltd and its controlled entities
Condensed consolidated statement of financial position

As at 31 December 2015

In thousands of AUD

	Note	31 December 2015	30 June 2015
Assets			
Cash and cash equivalents		5,220	8,709
Trade and other receivables		31,045	31,659
Inventories		59,141	59,322
Assets held for sale	3	1,806	-
Income tax receivable		108	108
Total current assets		97,320	99,798
Deferred tax assets	5	14,215	13,442
Property, plant and equipment		15,448	16,811
Intangible assets		4,621	3,963
Other		89	91
Total non current assets		34,373	34,307
Total assets		131,693	134,105
Liabilities			
Trade and other payables		22,174	22,835
Employee benefits		5,173	4,953
Provisions		655	1,528
Income tax payable		141	74
Derivatives liability		66	-
Total current liabilities		28,209	29,390
Employee benefits		278	339
Other		2,798	2,679
Total non current liabilities		3,076	3,018
Total liabilities		31,285	32,408
Net assets		100,408	101,697
Equity			
Issued capital		108,110	108,110
Reserves		(414)	(1,133)
Accumulated losses		(9,861)	(7,898)
Total equity attributable to equity holders of the Company		97,835	99,079
Non controlling interests		2,573	2,618
Total equity		100,408	101,697

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

Coventry Group Ltd and its controlled entities
Condensed consolidated statement of changes in equity
For the six months ended 31 December 2015

	Share-based payments reserve	Hedge reserve	Translation reserve	Total reserve	Share capital	Accumulated losses	Total for members of the company	Minority interest	Total equity
<i>In thousands of AUD</i>									
Balance as at 1 July 2015	62	13	(1,208)	(1,133)	108,110	(7,898)	99,079	2,618	101,697
Total comprehensive (loss)/income for the half year									
(Loss)/Profit for the half year	-	-	-	-	-	(1,017)	(1,017)	253	(764)
Other comprehensive (loss)/ income:									
Foreign currency translation differences	-	-	757	757	-	-	757	(23)	734
Effective portion of changes in fair value of cash flow hedges	-	(59)	-	(59)	-	-	(59)	-	(59)
Total other comprehensive (loss)/income	-	(59)	757	698	-	-	698	(23)	675
Total comprehensive (loss)/income for the half year	-	(59)	757	698	-	(1,017)	(319)	230	(89)
Transactions with owners, recorded directly in equity									
Own shares acquired	-	-	-	-	-	-	-	-	-
Share based payment transactions	21	-	-	21	-	-	21	-	21
Dividends to equity holders	-	-	-	-	-	(946)	(946)	(275)	(1,221)
Total transactions with owners	21	-	-	21	-	(946)	(925)	(275)	(1,200)
Balance as at 31 December 2015	83	(46)	(451)	(414)	108,110	(9,861)	97,835	2,573	100,408

Amounts are stated net of tax

	Share-based payments reserve	Hedge reserve	Translation reserve	Total reserve	Share capital	Retained earnings	Total for members of the company	Minority interest	Total equity
<i>In thousands of AUD</i>									
Balance as at 1 July 2014	22	-	(536)	(514)	108,943	33,743	142,172	2,673	144,845
Total comprehensive (loss)/income for the half year									
(Loss)/Profit for the half year	-	-	-	-	-	(3,563)	(3,563)	222	(3,341)
Other comprehensive (loss)/ income:									
Foreign currency translation differences	-	-	362	362	-	-	362	(9)	353
Effective portion of changes in fair value of cash flow hedges	-	250	-	250	-	-	250	-	250
Total other comprehensive (loss)/income	-	250	362	612	-	-	612	(9)	603
Total comprehensive (loss)/income for the half year	-	250	362	612	-	(3,563)	(2,951)	213	(2,738)
Transactions with owners, recorded directly in equity									
Own shares acquired	-	-	-	-	(648)	-	(648)	-	(648)
Share based payment transactions	19	-	-	19	-	-	19	-	19
Dividends to equity holders	-	-	-	-	-	(8,381)	(8,381)	(234)	(8,615)
Total transactions with owners	19	-	-	19	(648)	(8,381)	(9,010)	(234)	(9,244)
Balance as at 31 December 2014	41	250	(174)	117	108,295	21,799	130,211	2,652	132,863

Amounts are stated net of tax

Coventry Group Ltd and its controlled entities
Condensed consolidated statement of cash flows
For the six months ended 31 December 2015

In thousands of AUD

	Note	2015	2014
Cash flows from operating activities			
Cash receipts from customers		105,421	118,934
Cash paid to suppliers and employees		(105,399)	(125,622)
Cash generated/(used in) from operations		22	(6,688)
Interest paid		-	(3)
Income taxes paid		(279)	(304)
Net cash used in operating activities		(257)	(6,995)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		94	27
Interest received		8	419
Proceeds from term deposits		-	24,000
Dividends received		-	1
Acquisition of property, plant and equipment		(2,024)	(1,936)
Acquisition of intangible assets		(773)	(25)
Net cash (used in)/from investing activities		(2,695)	22,486
Cash flows from financing activities			
Repayment of borrowings on finance leases		-	(10)
Payments for shares acquired	4	-	(648)
Dividends paid	4	(946)	(8,381)
Dividends paid to non-controlling interests		(275)	(234)
Net cash used in financing activities		(1,221)	(9,273)
Net (decrease)/increase in cash and cash equivalents		(4,173)	6,218
Cash and cash equivalents at 1 July		8,709	8,786
Effect of exchange rate fluctuations		684	353
Cash and cash equivalents at 31 December		5,220	15,357
Monies invested in term deposits maturing in greater than 90 days at inception		-	15,200
Cash, cash equivalents and term deposits at 31 December		5,220	30,557

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

Coventry Group Ltd and its controlled entities

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2015

1. Significant accounting policies

(a) Reporting entity

Coventry Group Ltd (the "Company") is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2015 comprise the Company and its controlled entities (together referred to as the "Group"). The Group primarily is involved in the distribution of industrial products, the provision of fluid products and services and the manufacture and distribution of gaskets (see Note 2).

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2015 are available upon request from the Company's registered office at 235 Settlement Road, Thomastown VIC 3074 Australia or at www.cgl.com.au.

(b) Statement of compliance

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, and with IAS 34 *Interim Financial Reporting*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2015. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2015.

These condensed consolidated interim financial statements were approved by the Board of Directors on 26 February 2016.

(c) Basis of preparation

The financial report is presented in Australian dollars. The financial report is prepared on the historical cost basis except that derivative financial instruments are stated at their fair value.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(d) Judgements and estimates

In preparing these condensed consolidated interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies, and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2015.

(e) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Coventry Group Ltd and its controlled entities
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2015

2. Operating segments

The Group has reportable segments as described below. For each of the strategic operating segments, the CEO reviews internal management accounts on a monthly basis. The following summary describes the operations of each of the Group's reportable operating segments:

- **Trade Distribution:** Includes the importation, distribution and marketing of industrial fasteners and associated products and hardware to the cabinet making, joinery and shop fitting industries
- **Fluids:** Includes the design, manufacture, distribution, installation and maintenance of lubrication and hydraulic fluid systems and hoses
- **Gaskets:** Includes manufacturing and distribution of automotive and industrial gaskets

Information regarding the results of each reportable operating segment is included below. Performance is measured based on operating segment profit before income tax as included in the internal management reports that are reviewed by the CEO.

Information about reportable segments	Trade Distribution	Fluids	Gaskets	Total reportable segment	Other business units and consolidation adjustments	Total
<i>In thousands of AUD</i>	31 December 2015	31 December 2015	31 December 2015	31 December 2015	31 December 2015	31 December 2015
External sales	57,193	27,557	7,373	92,123	-	92,123
Other revenue	594	111	111	816	1,310	2,126
External revenue	57,787	27,668	7,484	92,939	1,310	94,249
Inter segment revenue	16	-	-	16	(16)	-
Total revenue	57,803	27,668	7,484	92,955	1,294	94,249
Reportable segment profit/(loss) before finance costs, income tax and material items	710	1,740	1,324	3,774	(4,185)	(411)
Net financial income/(loss)	(16)	-	9	(7)	215	208
Other material items: Restructuring and other related costs	(597)	-	-	(597)	(323)	(920)
Reportable segment profit/(loss) before income tax	97	1,740	1,333	3,170	(4,293)	(1,123)
Reportable segment assets	67,349	29,145	11,414	107,908	23,785	131,693
Reportable segment liabilities	16,281	7,581	1,224	25,086	6,199	31,285
Capital employed	51,068	21,564	10,190	82,822	17,586	100,408

Information about reportable segments	Trade Distribution	Fluids	Gaskets	MSS (discontinued) ⁽ⁱ⁾	Total reportable segment	Other business units and consolidation adjustments	Represented ⁽ⁱⁱ⁾ Total
<i>In thousands of AUD</i>	31 December 2014	31 December 2014	31 December 2014	31 December 2014	31 December 2014	31 December 2014	31 December 2014
External sales	61,152	31,243	7,170	2,189	101,754	(2,189)	99,565
Other revenue	614	132	111	1	858	1,191	2,049
External revenue	61,766	31,375	7,281	2,190	102,612	(998)	101,614
Inter segment revenue	3	-	-	-	3	(3)	-
Total revenue	61,769	31,375	7,281	2,190	102,615	(1,001)	101,614
Reportable segment profit/(loss) before finance costs, income tax and material items	(1,634)	1,782	1,167	(593)	722	(4,743)	(4,021)
Net financial income/(loss)	(74)	-	8	(1)	(67)	594	527
Other material items: Restructuring and other related costs	-	-	-	-	-	(630)	(630)
Reportable segment profit/(loss) before income tax	(1,708)	1,782	1,175	(594)	655	(4,779)	(4,124)
<i>In thousands of AUD</i>	30 June 2015	30 June 2015	30 June 2015	30 June 2015	30 June 2015	30 June 2015	30 June 2015
Reportable segment assets	68,554	28,856	11,094	-	108,504	25,601	134,105
Reportable segment liabilities	19,595	6,099	781	-	26,475	5,933	32,408
Capital employed	48,959	22,757	10,313	-	82,029	19,668	101,697

⁽ⁱ⁾ The 2014 comparatives have been restated so as to include Managed System Services as a reportable (discontinued) segment.

⁽ⁱⁱ⁾ The 2014 comparatives representation relates to the reallocation of Corporate costs.

Coventry Group Ltd and its controlled entities
Notes to the condensed consolidated interim financial statements
For the six months ended 31 December 2015

3. Assets held for sale

As at 31 December 2015 the Company was in negotiation with a third party to sell the land and buildings in Campbellfield Victoria occupied by the Group's Gaskets subsidiary. Management believe the requirements for disclosure as an Asset Held For Sale were met and as such have reclassified the Land and Buildings in the statement of financial position.

4. Equity

Renewal on-market share buy back

The Group renewed its share buy back period for a further 12 month period commencing on 23 November 2015.

There was no effect on issued capital as a result of this undertaking for the six month period ended 31 December 2015 (2014: \$648,000 reduction). No Company shares were acquired during this period (2014: 265,803). At the end of the period 37,836,479 shares remained in issue (2014: 37,931,313).

Dividends

The following dividends were declared and paid by the consolidated entity for the six months ended 31 December 2015:

In thousands of AUD

Final 2015 Ordinary Dividend - paid 27 October 2015

2.5 cents per ordinary share fully franked (2014: 11 cents per ordinary share fully franked)

Special Dividend - nil

(2014: 11 cents per ordinary share fully franked)

	2015	2014
	946	4,202
	-	4,179
	946	8,381

No dividends have been declared in relation to the current period. For the previous corresponding period an interim dividend of 4.25 cents per ordinary share, fully franked, and a special dividend of 17.5 cents per ordinary share, fully franked, were declared.

5. Taxes

Recognised deferred tax assets and liabilities

During the six month period ended 31 December 2015 the Group recognised a deferred tax asset of \$14,215,000 (30 June 2015: \$13,442,000), of which \$10,021,000 (30 June 2015: \$8,911,000) relates to carried forward tax losses.

Tax losses in the Group Australian operations consist of post-consolidation carried forward tax losses of \$32,263,000 (30 June 2015: \$27,320,000), represented by the deferred tax asset of \$9,679,000 (30 June 2015: \$8,196,000), that the Group expects to fully utilise against the forecasted taxable profits in the Australian tax group.

The tax losses in the New Zealand operations of \$1,140,000 (30 June 2015: \$2,383,000), represented by the deferred tax asset of \$342,000 (30 June 2015: \$715,000), can be fully utilised against the future forecasted taxable profits in the New Zealand tax group.

Directors' declaration

In the opinion of the directors of Coventry Group Ltd ("the Company"):

- 1 the condensed consolidated interim financial statements and notes, set out on pages 6 to 12, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance, for the six months ended on that date; and
 - (b) complying with Australian Accounting Standards AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



N.G. GATHIE
Chairman



P.J.B. CAUGHEY
CEO and Managing Director

Melbourne
26 February 2016

Melbourne
26 February 2016



Independent auditor's review report to the members of Coventry Group Ltd

Report on the financial report

We have reviewed the accompanying interim financial report of Coventry Group Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2015, 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 1 to 5 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Coventry Group Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Coventry Group Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG



Matthew Beevers
Partner

Melbourne

26 February 2016