

**Chapmans Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	Chapmans Limited
ACN:	000 012 386
Reporting period:	For the half-year ended 30 June 2015
Previous period:	For the half-year ended 30 June 2014

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	82.9% to	101,681
Loss from ordinary activities after tax attributable to the owners of Chapmans Limited	up	175.5% to	(2,284,491)
Loss for the half-year attributable to the owners of Chapmans Limited	up	175.5% to	(2,284,491)
		<b>30 June 2015</b>	<b>30 June 2014</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(0.907)	(1.355)
Diluted earnings per share		(0.907)	(1.355)

*Dividends*

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

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$2,284,491 (30 June 2014: \$829,184).

**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>0.04</u>	<u>0.04</u>

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

**6. Dividends**

*Current period*

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

*Previous period*

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

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

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

Not applicable.

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**10. Audit qualification or review**

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

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**11. Attachments**

The Interim Report of Chapmans Limited for the half-year ended 30 June 2015 is attached.

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**12. Signed**



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Peter Dykes  
Executive Chairman

Date: 31 August 2015

**Chapmans Limited**

**ACN 000 012 386**

**Interim Report - 30 June 2015**

**Chapmans Limited**  
**Directors' report**  
**30 June 2015**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Chapmans Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2015.

**Directors**

The following persons were directors of Chapmans Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Peter Dykes  
Anthony Dunlop  
Bruce Burrell (resigned 27 April 2015)  
Craig Seymour (appointed 19 February 2015, resigned 29 May 2015)  
Chris Newport (appointed 29 May 2015)

**Principal activities**

The principal activities of the group during the period were as a specialist investment and finance company providing growth capital and advisory services to private and public companies across a concentrated but diverse range of industries including resources, engineering and technical services and mobile technology.

The company's investment philosophy and approach are based on achieving reliably high returns from a unique mix of high conviction and special situation features characterised by low entry prices, actively managing risks and significant upside opportunities from concentration of investments in known growth industries. All investments are actively managed over shorter to medium term holding periods with medium term equity and debt based investments structured around specific events, assets and opportunities.

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$2,284,491 (30 June 2014: \$829,184).

On 19 February 2015, the company issued 67,750,000 shares at 1 cent and 50,000,000 shares at 0.5 cents per share.

On 20 February 2015, the company disposed of its remaining 28,896,750 shares in Tempo Australia Limited for \$1,200,000. The funds were used to repay the secured debt.

On 1 May 2015, the company issued 37,500,000 shares at 0.2 cents per share.

On 19 May 2015, the company received an initial advance of \$200,000 from Hannas Contracting Services Pty Ltd pursuant to a secured Loan Agreement. Under the terms of the Loan Agreement, a total of up to \$1,200,000 may be advanced to the Company and the Loan Amount or any part thereof advanced to the Company will bear interest at a rate of 1.5% per month. The Loan Amount is repayable in full on 18 November 2015.

On 29 May 2015, the company issued 600,000,000 shares at 0.2 cents per share.

On 3 June 2015, the company issued 250,000,000 shares at 0.2 cents per share.

On 5 June 2015, the company settled its disputes with the secured creditor and paid a further amount of \$1,300,000 to finalise the matter.

**Significant changes in the state of affairs**

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

**Matters subsequent to the end of the financial half-year**

On 9 July 2015, Reffind Ltd (RFN) listed on the ASX. Chapmans has a 7.2% 'look-through' interest in RFN, by virtue of its 15% holding in leading Australian technology commercialisation company, Digital4ge. RFN was founded by Digital4ge and Digital4ge has a 48% interest in RFN.

On 16 July 2015, the company acquired 40% in Digital Star Media Holdings Pty Ltd. Under the agreement with Digital Star Media, the company will make an initial strategic investment of \$700,000 over 12 months. The company will also provide strategic and corporate advice to Digital Star Media to help commercialise its business model.

On 20 July 2015, the company issued 127,500,000 shares at 0.3 cents per share.

On 28 July 2015, the company made a strategic investment in Capital Mining Limited (ASX: CMY). Chapmans has invested \$77,500 in Capital Mining via the issue of 155 million Capital Mining shares at 0.5 cents per share, giving Chapmans a 10.44% equity holding in CMY.

On 29 July 2015, the company announced an offer to eligible shareholders to participate in a non-underwritten share purchase plan (SPP) to raise up to A\$500,000 at 0.3 cents per share.

On 12 August 2015, the company entered into an underwriting agreement with Capital Mining Limited for a non-renounceable entitlement offer (Offer) to shareholders in Capital Mining Limited (ASX: CMY), which will raise approximately \$1.48 million before costs. Under the terms of the Underwriting Agreement, the company will receive a management fee of 2% of the amount raised under the Offer, and an underwriting fee of 4% of the amount raised under the Offer.

On 26 August 2015, the company issued 166,666,665 shares at 0.3 cents per share (Share Purchase Plan).

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

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

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

On behalf of the directors



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Peter Dykes  
Executive Chairman

31 August 2015

**Chapmans Limited**  
**Auditor's independence declaration**

To the Directors of Chapmans Limited:

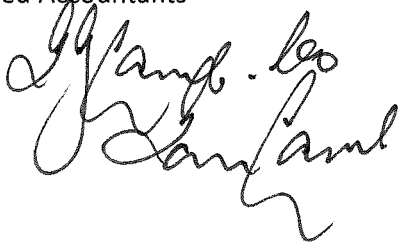
As auditor for the review of Chapmans Limited for the half-year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation of the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

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

IJ Lamb & Co

Chartered Accountants

A handwritten signature in black ink, appearing to read 'IJ Lamb & Co' with a stylized flourish underneath.

IJ Lamb Partner

Sydney

31 August 2015

**Chapmans Limited**  
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**30 June 2015**

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**General information**

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

Chapmans Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 10, 52 Phillip Street, Sydney NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2015.

**Chapmans Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2015**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	2	101,681	594,302
<b>Expenses</b>			
Director remuneration		(198,195)	(305,133)
Consultancy fees		(921,479)	(777,548)
Depreciation and amortisation expense	3	(167)	-
Loss on disposal of assets	3	-	(163,698)
Other expenses	3	(1,072,716)	(132,257)
Finance costs	3	(193,615)	(44,850)
<b>Loss before income tax expense</b>		(2,284,491)	(829,184)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Chapmans Limited</b>		(2,284,491)	(829,184)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of Chapmans Limited</b>		<u>(2,284,491)</u>	<u>(829,184)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	18	(0.907)	(1.355)
Diluted earnings per share	18	(0.907)	(1.355)

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

**Chapmans Limited**  
**Statement of financial position**  
**As at 30 June 2015**

		<b>Consolidated</b>	<b>31 December</b>
	<b>Note</b>	<b>30 June 2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		905	6,418
Available-for-sale financial assets	4	1,300,000	2,845,331
Other	5	-	100,000
Total current assets		<u>1,300,905</u>	<u>2,951,749</u>
<b>Non-current assets</b>			
Receivables	6	55,000	100,000
Property, plant and equipment		500	667
Deferred tax		311,600	311,600
Total non-current assets		<u>367,100</u>	<u>412,267</u>
<b>Total assets</b>		<u>1,668,005</u>	<u>3,364,016</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	475,749	223,992
Borrowings	8	385,619	-
Other		192,062	159,391
Total current liabilities		<u>1,053,430</u>	<u>383,383</u>
<b>Non-current liabilities</b>			
Borrowings	9	147,000	2,931,065
Total non-current liabilities		<u>147,000</u>	<u>2,931,065</u>
<b>Total liabilities</b>		<u>1,200,430</u>	<u>3,314,448</u>
<b>Net assets</b>		<u>467,575</u>	<u>49,568</u>
<b>Equity</b>			
Issued capital	10	17,258,894	14,556,394
Reserves	11	(25,000)	(421,072)
Accumulated losses		<u>(16,766,319)</u>	<u>(14,085,754)</u>
<b>Total equity</b>		<u>467,575</u>	<u>49,568</u>

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

**Chapmans Limited**  
**Statement of changes in equity**  
**For the half-year ended 30 June 2015**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2014	12,953,894	(266,600)	(11,949,974)	737,320
Loss after income tax expense for the half-year	-	-	(829,184)	(829,184)
Other comprehensive income for the half-year, net of tax	-	972,754	-	972,754
Total comprehensive income for the half-year	-	972,754	(829,184)	143,570
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	1,380,000	-	-	1,380,000
Balance at 30 June 2014	<u>14,333,894</u>	<u>706,154</u>	<u>(12,779,158)</u>	<u>2,260,890</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2015	14,556,394	(421,072)	(14,085,756)	49,566
Loss after income tax expense for the half-year	-	-	(2,284,491)	(2,284,491)
Other comprehensive income for the half-year, net of tax	-	396,072	(396,072)	-
Total comprehensive income for the half-year	-	396,072	(2,680,563)	(2,284,491)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	2,702,500	-	-	2,702,500
Balance at 30 June 2015	<u>17,258,894</u>	<u>(25,000)</u>	<u>(16,766,319)</u>	<u>467,575</u>

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

**Chapmans Limited**  
**Statement of cash flows**  
**For the half-year ended 30 June 2015**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		9,245	594,301
Payments to suppliers (inclusive of GST)		(1,686,438)	(1,695,076)
		(1,677,193)	(1,100,775)
Interest received		27	-
Interest and other finance costs paid		(42,760)	-
Net cash used in operating activities		(1,719,926)	(1,100,775)
<b>Cash flows from investing activities</b>			
Payments for investments		(45,000)	(1,782,052)
Proceeds from disposal of investments		452,068	125,334
Net cash from/(used in) investing activities		407,068	(1,656,718)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	10	2,702,500	1,380,000
Proceeds from borrowings		191,250	-
Repayment of borrowings		(1,586,405)	(67,872)
Loans issued		-	(410,000)
Net cash from financing activities		1,307,345	902,128
Net decrease in cash and cash equivalents		(5,513)	(1,855,365)
Cash and cash equivalents at the beginning of the financial half-year		6,418	1,918,647
Cash and cash equivalents at the end of the financial half-year		<u>905</u>	<u>63,282</u>

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

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

**New, revised or amending Accounting Standards and Interpretations adopted**

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

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

**Note 2. Revenue**

	<b>Consolidated</b>	
	<b>30 June 2015</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
<i>Sales revenue</i>		
Revenue from sales of shares	61,737	38,184
Consulting and advisory fees	-	463,278
	<u>61,737</u>	<u>501,462</u>
<i>Other revenue</i>		
Interest	681	12,840
Other revenue	39,263	80,000
	<u>39,944</u>	<u>92,840</u>
Revenue	<u><u>101,681</u></u>	<u><u>594,302</u></u>

**Note 3. Expenses**

	<b>Consolidated</b>	
	<b>30 June 2015</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Net loss on disposal</i>		
Net loss on disposal of investments	-	163,698
<i>Other expenses</i>		
Legal & Professional fees	857,134	77,411

**Note 4. Current assets - available-for-sale financial assets**

	Consolidated 30 June 2015	31 December 2014
	\$	\$
Investments in listed companies - at fair value	270,000	1,815,331
Investments in unlisted companies - at cost	1,030,000	1,030,000
	<u>1,300,000</u>	<u>2,845,331</u>

Refer to note 13 for further information on fair value measurement.

**Note 5. Current assets - other**

	Consolidated 30 June 2015	31 December 2014
	\$	\$
Other deposits	-	100,000
	<u>-</u>	<u>100,000</u>

**Note 6. Non-current assets - receivables**

	Consolidated 30 June 2015	31 December 2014
	\$	\$
External loans receivable	55,000	100,000
	<u>55,000</u>	<u>100,000</u>

**Note 7. Current liabilities - trade and other payables**

	Consolidated 30 June 2015	31 December 2014
	\$	\$
Trade payables	473,551	244,126
BAS payable	2,198	(20,134)
	<u>475,749</u>	<u>223,992</u>

**Note 8. Current liabilities - borrowings**

	Consolidated 30 June 2015	31 December 2014
	\$	\$
External loans payable	385,619	-
	<u>385,619</u>	<u>-</u>

**Note 9. Non-current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>\$</b>	<b>\$</b>
Director loans	147,000	241,805
External loans payable	-	2,689,260
	<u>147,000</u>	<u>2,931,065</u>

**Note 10. Equity - issued capital**

	<b>Consolidated</b>			
	<b>30 June 2015</b>	<b>31 December 2014</b>	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>1,137,500,000</u>	<u>132,250,000</u>	<u>17,258,894</u>	<u>14,556,394</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 January 2015	132,250,000		14,556,394
Issue of shares	19 February 2015	67,750,000	\$0.010	677,500
Issue of shares	19 February 2015	50,000,000	\$0.005	250,000
Issue of shares	1 May 2015	37,500,000	\$0.002	75,000
Issue of shares	29 May 2015	600,000,000	\$0.002	1,200,000
Issue of shares to directors	3 June 2015	<u>250,000,000</u>	<u>\$0.002</u>	<u>500,000</u>
Balance	30 June 2015	<u>1,137,500,000</u>		<u>17,258,894</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

*Share buy-back*

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

**Note 11. Equity - reserves**

	<b>Consolidated</b>	
	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>\$</b>	<b>\$</b>
Available-for-sale reserve	<u>(25,000)</u>	<u>(421,072)</u>

*Available-for-sale reserve*

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

## **Note 12. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

## **Note 13. Fair value measurement**

### *Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>Consolidated - 30 June 2015</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Available-for-sale investments	270,000	-	-	270,000
Total assets	270,000	-	-	270,000

There were no transfers between levels during the financial half-year.

## **Note 14. Contingent liabilities**

The company commenced proceedings against JatEnergy Limited (ASX:JAT) in the district court on 15 December 2014 for breach of contract and damages in respect of the \$200,000 provided by the company to JAT to recommence production of an Indonesian coal asset.

## **Note 15. Commitments**

	<b>Consolidated</b>
	<b>31 December</b>
	<b>30 June 2015</b>
	<b>2014</b>
	<b>\$</b>
	<b>\$</b>

### *Lease commitments - operating*

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	-	9,000
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## **Note 16. Related party transactions**

### *Loans to/from related parties*

The following balances are outstanding at the reporting date in relation to loans with related parties:

	<b>Consolidated</b>
	<b>31 December</b>
	<b>30 June 2015</b>
	<b>2014</b>
	<b>\$</b>
	<b>\$</b>

Non-current borrowings:

Loan from key management personnel	147,000	-
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The company has borrowed \$147,000 from Peter Dykes a director of the company. There is no interest payable on this loan.

**Note 17. Events after the reporting period**

On 9 July 2015, Reffind Ltd (RFN) listed on the ASX. Chapmans has a 7.2% 'look-through' interest in RFN, by virtue of its 15% holding in leading Australian technology commercialisation company, Digital4ge. RFN was founded by Digital4ge and Digital4ge has a 48% interest in RFN.

On 16 July 2015, the company acquired 40% in Digital Star Media Holdings Pty Ltd. Under the agreement with Digital Star Media, the company will make an initial strategic investment of \$700,000 over 12 months. The company will also provide strategic and corporate advice to Digital Star Media to help commercialise its business model.

On 20 July 2015, the company issued 127,500,000 shares at 0.3 cents per share.

On 28 July 2015, the company made a strategic investment in Capital Mining Limited (ASX: CMY). Chapmans has invested \$77,500 in Capital Mining via the issue of 155 million Capital Mining shares at \$0.0005 per share, giving Chapmans a 10.44% equity holding in CMY.

On 29 July 2015, the company announced an offer to eligible shareholders to participate in a non-underwritten share purchase plan (SPP) to raise up to A\$500,000 at \$0.003 per share.

On 12 August 2015, the company entered into an underwriting agreement with Capital Mining Limited for a non-renounceable entitlement offer (Offer) to shareholders in Capital Mining Limited (ASX: CMY), which will raise approximately \$1.48 million before costs. Under the terms of the Underwriting Agreement, the company will receive a management fee of 2% of the amount raised under the Offer, and an underwriting fee of 4% of the amount raised under the Offer.

On 26 August 2015, the company issued 166,666,665 shares at 0.3 cents per share (Share Purchase Plan).

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 18. Earnings per share**

	<b>Consolidated</b>	
	<b>30 June 2015</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Chapmans Limited	<u>(2,284,491)</u>	<u>(829,184)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>251,771,233</u>	<u>61,209,677</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>251,771,233</u>	<u>61,209,677</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.907)	(1.355)
Diluted earnings per share	(0.907)	(1.355)

**Chapmans Limited**  
**Directors' declaration**  
**30 June 2015**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



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Peter Dykes  
Executive Chairman

31 August 2015

**Chapmans Limited**  
**Independent auditor's review report to the members of Chapmans Limited**

To the members of Chapmans Limited:

I have reviewed the accompanying half-year financial report of Chapmans Limited ("the Company") which comprises the consolidated balance sheet as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the Directors' Declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year 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 control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express a conclusion on the half-year financial report based on my review. I conducted my 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, I have become aware of any matter that makes me believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 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 Chapmans Limited, ASRE 2410 requires that I 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 I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my review was not designed to provide assurance on internal controls. My review did not involve an analysis of the prudence of business decisions made by directors or management.

**Independence**

In conducting my review, I have complied with the independence requirements of the *Corporations Act 2001*. I have given the Directors of the company a written Auditor's Independence Declaration.

**Conclusion**

Based on my review, which is not an audit, I have not become aware of any matter that makes me believe that the half-year financial report of Chapmans 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 30 June 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*.

I J Lamb & Co Chartered  
Accountants

I J Lamb Partner

Sydney  
31 August 2015

