

# ARIADNE

## Ariadne Australia Limited

A.B.N. 50 010 474 067

### Appendix 4D Financial Report

#### Half year report for the period ended 31 December 2015

(the previous corresponding period being the period ended 31 December 2014)

Results for announcement to the market				31 December 2015	31 December 2014
Revenues from ordinary activities *	\$'000's	Up	23.5%	12,695	10,283
Profit from ordinary activities after tax attributable to members	\$'000's	Up	143.4%	3,673	1,509
Net profit for the period attributable to members	\$'000's	Up	143.4%	3,673	1,509
Total comprehensive income for the period attributable to members	\$'000's	Up	8.7%	3,904	3,591
Net tangible assets per security	cents	Down	4.1%	40.56	42.31

Dividends (distributions)	Amount per security	Amount per security of conduit foreign income	Franked amount per security	Tax rate for franking credit
FY16 Interim dividend	0.5 cents	0.4 cents	0.1 cents	30%
FY15 Final dividend	0.5 cents	0.2 cents	0.2 cents	30%

The Directors have declared a partially franked (20%) interim dividend of 0.5 cents per ordinary share in relation to the 30 June 2016 financial year, of which 80% is sourced from the Conduit Foreign Income Account. The record date applicable to the dividend will be Thursday, 10 March 2016 with payment to be made on Thursday, 31 March 2016.

The final dividend of 0.5 cents per ordinary share in relation to the 30 June 2015 financial year had a record date of Tuesday, 15 September 2015 and was paid Tuesday, 29 September 2015.

It is recommended that the consolidated results for Ariadne Australia Limited ("Ariadne") and its controlled entities ("the Group") be read in conjunction with the 30 June 2015 Annual Report and any public announcements made by Ariadne during the half year.

\* Total revenues from ordinary activities as shown above include the Group's share of profits of joint ventures and associates.



---

# ARIADNE

---

**Ariadne Australia Limited**  
**Half-Year Report**  
**31 December 2015**

# Contents

Directors' Report	2
Auditor's Independence Declaration	5
Half-Year Financial Report	
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	14
Independent Auditor's Review Report to the Members	15

# Directors' Report

The Directors submit their report for the six months ended 31 December 2015. The term "Group" is used throughout this report to refer to the parent entity, Ariadne Australia Limited ("Ariadne") and its controlled entities.

## DIRECTORS

The names of Ariadne's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period.

D.Z. Baffsky, AO (Chairman)  
K.W. Seymour, AM (Deputy Chairman)  
M.W. Loomes  
J.W. Murphy  
Dr G.H. Weiss

## REVIEW AND RESULTS OF OPERATIONS

All amounts included in this report, are quoted in thousands of dollars unless otherwise stated.

### Operating result for the half-year

The consolidated net profit before tax, attributable to the Group for the half-year was \$4,597 (2014: \$1,461) and the consolidated net profit before tax attributable to members for the half-year was \$3,854 (2014: \$933).

	31 December 2015	31 December 2014
<b>\$'000</b>		
Investments	3,106	512
Car Parking	2,700	2,968
Property	459	65
Other Unallocated	(1,668)	(2,084)
<b>NET PROFIT BEFORE INCOME TAX</b>	<b>4,597</b>	<b>1,461</b>
Less non-controlling interests	743	528
<b>Attributable to Members of Ariadne</b>	<b>3,854</b>	<b>933</b>
Income tax (expense) / benefit	(181)	576
<b>NET PROFIT AFTER INCOME TAX</b>	<b>4,416</b>	<b>2,037</b>
Less non-controlling interests	743	528
<b>Attributable to Members of Ariadne</b>	<b>3,673</b>	<b>1,509</b>
<b>Other Comprehensive Income</b>		
Available-for-sale financial assets	(423)	1,352
Cash flow hedge reserve	(22)	(93)
Foreign currency translation	946	1,435
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>501</b>	<b>2,694</b>
Less non-controlling interests	270	612
<b>Attributable to Members of Ariadne</b>	<b>231</b>	<b>2,082</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,917</b>	<b>4,731</b>
Less non-controlling interests	1,013	1,140
<b>Attributable to Members of Ariadne</b>	<b>3,904</b>	<b>3,591</b>

# Directors' Report

## Review of operations

### *Cash Management*

Cash and cash equivalents as at 31 December 2015 were \$13,487 (\$12,513 as at 30 June 2015).

The improved net operating cash flow of \$4,637 (2014: \$303 outflow) is due in part to the results of the Investments and Car Parking segments as well as a reduction in overheads following the sale of the residual Staymint assets and the closure of the Brisbane office.

Ariadne remains in a strong financial position, with a sound balance sheet and good cash reserves, and is well-placed to grow shareholder value.

### *Investments*

The Group's investment division recorded a profit before tax for the half-year of \$3,106 (2014: \$512).

The result is derived from interest on cash reserves, share of profits from the Group's investments in associates, dividend and trading income from the trading portfolio.

The trading portfolio recorded a net gain of \$662 (2014: \$1,503 loss) predominately due to mark-to-market revaluations during the period.

The strategic portfolio recorded a net loss after deferred tax of \$423 (2014: \$1,352 net profit) during the reporting period due to mark-to-market revaluations. The net mark-to-market loss attributable to the strategic portfolio is recorded through other comprehensive income and not included in the reported net profit. During the period the Group also added to its strategic portfolio by acquiring a further interest in Hillgrove Resources Limited.

The Group's 53% interest in Freshxtend International Pty Ltd with its 17% investment in 'NatureSeal' continues to contribute positively.

### *Car Parking*

The Group's car parking division recorded a profit before tax for the half-year of \$2,700 (2014: \$2,968).

The result comprises the Group's 50% share of profits from Secure Kings Unit Trust ("Secure Parking"), in addition to the operating results from two car park leases which are held by the Group.

The Group's share of profits from Secure Parking for the year was \$2,149 (2014: \$2,691). Trading activities from the Group's two leased car parks contributed a net profit of \$551 (2014: \$277).

Last financial year a judgment of \$6,900 was entered into against Secure Parking and an appeal against this judgment lodged. The appeal was heard by the New South Wales Court of Appeal in October 2015 and the Court's decision is awaited. The Group has previously provided for its proportionate share of the amount of the judgment and estimated related costs, an additional \$432 in costs have been provided for in this first half reported result.

### *Property*

The Group's property division recorded a profit before tax for the half-year of \$459 (2014: \$65).

The division's profit is derived from the Group's 50% share of results from Orams Marine Village ("Orams") located in Auckland, New Zealand and the marinas located at Port Macquarie and Batemans Bay.

The Group's share of the profit from Orams for the period was \$254 (2014: \$273). The Board remains confident that this strategic investment is well placed to capitalise on the future development of the Western Viaduct area and the growth impetus of the New Zealand marine industry, which enjoys an international reputation for product quality, skill base and competitiveness.

Port Macquarie Marina operated at a loss of \$39 (2014: \$71 loss) as a consequence of continued repairs and maintenance costs and the investment in Batemans Bay Marina recorded a profit of \$34 (2014: \$18).

On 23 October 2015 the Directors announced that Ariadne had entered into a conditional agreement to dispose of the Group's interests in the Port Macquarie and Batemans Bay marinas. The sale is now expected to be completed before March 2016 for consideration of \$3,500. Accordingly the Group has classified the carrying values of Port Macquarie marina and the Batemans Bay marina at 31 December 2015 as Assets held for sale. The bank debt associated with the Port Macquarie marina will be repaid on the sale of the marinas further reducing the Group's overall financial leverage.

# Directors' Report

## DIVIDENDS AND CAPITAL MANAGEMENT

The Directors declared a partially franked final dividend in relation to the 30 June 2015 financial year of \$1,019, which represents 0.5 cents per ordinary share; the dividend was paid on 29 September 2015.

A partially franked interim dividend of \$1,011, which represents 0.5 cents per share, has been declared in relation to the 30 June 2016 financial year; no liability is recognised in the 31 December 2015 financial statements as this dividend was declared after the balance sheet date.

On 28 August 2015, Ariadne announced a twelve month extension to its on-market share buy-back facility as part of ongoing capital management initiatives. The buy-back is for the purpose of acquiring shares where they are trading at values below the Board's opinion of the intrinsic value of the shares. During the period Ariadne bought back and cancelled 1,529,212 shares at a cost of \$568.

## SIGNIFICANT EVENTS AFTER BALANCE DATE

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in the future financial periods.

## 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 page 5.

Signed in accordance with a resolution of the directors.



David Baffsky, AO  
Director  
19 February 2016

The Board of Directors  
Ariadne Australia Limited  
Level 20, 39 Martin Place  
SYDNEY NSW 2000

19 February 2016

Dear Board Members

## **Ariadne Australia Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ariadne Australia Limited.

As lead audit partner for the review of the financial statements of Ariadne Australia Limited for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



J A Leotta  
Partner  
Chartered Accountants

# Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

GROUP

	Notes	2015 \$'000	2014 \$'000
<b>CONTINUING OPERATIONS</b>			
Operating revenue	3(i)	7,823	7,669
Other gains / (losses)	3(ii)	662	(1,700)
Share of profits of joint ventures and associates		4,210	4,314
Operating costs	3(iii)	(5,908)	(5,896)
Employee, non-cash and other expense	3(iv)	(2,066)	(2,766)
Finance costs		(124)	(160)
<b>PROFIT BEFORE INCOME TAX</b>		<b>4,597</b>	<b>1,461</b>
Income tax (expense) / benefit		(181)	576
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>		<b>4,416</b>	<b>2,037</b>
<i>Attributable to:</i>			
Non-controlling interests		743	528
<b>MEMBERS OF ARIADNE</b>		<b>3,673</b>	<b>1,509</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net fair value (loss) / gain on available-for-sale financial assets		(423)	1,352
Net fair (loss) on cash flow hedge		(22)	(93)
Exchange difference on translation of foreign operations		946	1,435
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>501</b>	<b>2,694</b>
<i>Attributable to:</i>			
Non-controlling interests		270	612
<b>MEMBERS OF ARIADNE</b>		<b>231</b>	<b>2,082</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>			
		<b>4,917</b>	<b>4,731</b>
<i>Attributable to:</i>			
Non-controlling interests		1,013	1,140
<b>MEMBERS OF ARIADNE</b>		<b>3,904</b>	<b>3,591</b>
Earnings per share from continuing operations attributable to members of Ariadne			
Basic earnings per share (cents)		1.81	0.74
Diluted earnings per share (cents)		1.79	0.74

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

# Balance Sheet

AS AT 31 DECEMBER 2015

GROUP

	Notes	AS AT 31 December 2015 \$'000	AS AT 30 June 2015 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		13,487	12,513
Trade and other receivables		686	1,455
Inventories	8	20	3,059
Other current assets		2,959	2,419
Assets held for sale	8	3,500	—
<b>Total Current Assets</b>		<b>20,652</b>	<b>19,446</b>
<b>Non-Current Assets</b>			
Receivables		12,135	12,205
Other financial assets		29,589	29,090
Equity accounted investments		23,709	22,938
Property, plant and equipment		51	185
Deferred tax asset		6,305	6,305
<b>Total Non-Current Assets</b>		<b>71,789</b>	<b>70,723</b>
<b>TOTAL ASSETS</b>		<b>92,441</b>	<b>90,169</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		628	607
Interest-bearing loans and borrowings		2,387	2,343
Provisions		237	218
<b>Total Current Liabilities</b>		<b>3,252</b>	<b>3,168</b>
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings		1,219	1,527
Provisions		230	203
<b>Total Non-Current Liabilities</b>		<b>1,449</b>	<b>1,730</b>
<b>TOTAL LIABILITIES</b>		<b>4,701</b>	<b>4,898</b>
<b>NET ASSETS</b>		<b>87,740</b>	<b>85,271</b>
<b>EQUITY</b>			
Issued capital	9	382,046	382,614
Reserves		31,402	32,178
Accumulated losses		(331,423)	(335,096)
<b>EQUITY ATTRIBUTABLE TO MEMBERS OF ARIADNE</b>		<b>82,025</b>	<b>79,696</b>
Non-controlling interests		5,715	5,575
<b>TOTAL EQUITY</b>		<b>87,740</b>	<b>85,271</b>

The balance sheet should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### Balance as at 1 July 2014

Profit for the period
Other comprehensive income
Total comprehensive income for the period
Cost of shares bought back
Equity dividends

### Balance as at 31 December 2014

Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	ARIADNE \$'000	Non- controlling interest \$'000	GROUP \$'000
382,842	26,615	(325,575)	83,882	4,515	88,397
—	—	1,509	1,509	528	2,037
—	2,082	—	2,082	612	2,694
—	2,082	1,509	3,591	1,140	4,731
(228)	-	—	(228)	—	(228)
—	(1,022)	—	(1,022)	(598)	(1,620)
382,614	27,675	(324,066)	86,223	5,057	91,280

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

### Balance as at 1 July 2015

Profit for the period
Other comprehensive income
Total comprehensive income for the period
Cost of shares bought back
Cost of share-based payment
Equity dividends

### Balance as at 31 December 2015

382,614	32,178	(335,096)	79,696	5,575	85,271
—	—	3,673	3,673	743	4,416
—	231	—	231	270	501
—	231	3,673	3,904	1,013	4,917
(568)	—	—	(568)	—	(568)
—	12	—	12	—	12
—	(1,019)	—	(1,019)	(873)	(1,892)
382,046	31,402	(331,423)	82,025	5,715	87,740

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

# Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

GROUP

	Notes	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
Receipts from rental income		7,637	6,644
Receipts from other trading income		408	507
Payments to suppliers and employees		(8,728)	(9,802)
Dividends and trust distributions received		4,688	3,995
Receipts from trading portfolio sales		461	44
Payments for trading portfolio purchases		(243)	(1,994)
Interest received		506	489
Interest and borrowing costs paid		(89)	(160)
Payments to acquire development inventory		(3)	(26)
Net cash flows from / (used in) operating activities		4,637	(303)
<b>Cash flows from investing activities</b>			
Payments for plant, equipment and intangibles		—	(92)
Proceeds from sale of property and intangibles		—	4,181
Payments to acquire financial assets		(1,103)	(820)
Proceeds from loans repaid by other parties		293	158
Loans advanced to other parties		—	(4,018)
Net cash flows used in investing activities		(810)	(591)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		—	2,686
Repayments of borrowings		(393)	(1,250)
Payments for share buy-back to members of the parent entity	9	(568)	(228)
Dividends paid to members of the parent entity	4	(1,019)	(1,022)
Dividends paid to non-controlling interests		(873)	(598)
Net cash flows used in financing activities		(2,853)	(412)
Net increase / (decrease) in cash and cash equivalents		974	(1,306)
Cash and cash equivalents at beginning of period		12,513	16,302
<b>Cash and cash equivalents at end of period</b>		<b>13,487</b>	<b>14,996</b>

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

# Notes to the Financial Statements

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

### 1. CORPORATE INFORMATION

The consolidated financial report of Ariadne Australia Limited (“Ariadne”) together with its controlled entities (“the Group”) for the half-year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on 19 February 2016.

Ariadne is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (“ASX”). A review of the Group’s operations is included in the Directors’ Report.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and should be read in conjunction with the most recent annual financial report.

It is also recommended that the half-year financial report be considered together with any public announcements made by Ariadne during the half-year reporting period in accordance with the continuous disclosure obligations of the Corporations Act 2001 and ASX listing rules.

#### (a) Basis of preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for held-for-trading financial assets and available-for-sale financial assets which have been measured at fair value.

The amounts contained in the Directors’ Report and the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to Ariadne in accordance with ASIC Class Order 98/100. Ariadne is an entity to which the Class Order applies.

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

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are relevant and effective for the current half-year. New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality’

The Group’s adoption of all new and revised Standards and Interpretations issued by the AASB, that are relevant to its operations and effective for the half-year has impact on the amounts recognised in the half-year financial report.

#### (b) Significant Accounting Policies

The half-year financial report has been prepared using the same accounting policies and methods of computation as used in the annual financial statements for the year ended 30 June 2015, except for the impact of the Standards and Interpretations described above. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

# Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

## 3. REVENUE AND EXPENSES

	Notes	2015 \$'000	GROUP 2014 \$'000
Profit before income tax expense includes the following revenues and expenses, the disclosure of which is relevant in explaining the performance of the Group:			
(i) <b>Operating revenues</b>			
Rental income		6,250	6,047
Sale of goods		218	261
Interest income		569	618
Dividend income		669	568
Other income		117	175
		<b>7,823</b>	<b>7,669</b>
(ii) <b>Other gains / (losses)</b>			
Net gain / (loss) on held for trading financial assets		662	(1,503)
Net (loss) on disposal of non-current assets		—	(197)
		<b>662</b>	<b>(1,700)</b>
(iii) <b>Operating costs</b>			
Rental expenses		5,735	5,676
Cost of goods sold		173	220
		<b>5,908</b>	<b>5,896</b>
(iv) <b>Employee, non-cash and other expenses</b>			
Administration expenses		836	863
Employee benefits expense		1,203	1,777
Depreciation and amortisation		27	126
		<b>2,066</b>	<b>2,766</b>

## 4. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

### Equity dividends paid on ordinary shares:

Final partially franked dividend for financial year 30 June 2015: 0.5 cent/share ( 2014: 0.5 cent/share)	<b>1,019</b>	1,022
---	--------------	-------

# Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

## 5. SEGMENT INFORMATION

The Group's operating segments are identified by internal reporting used by the Board in assessing performance and determining investment strategy. The operating segments are based on a combination of the type and nature of products sold and/or services provided, and the type of business activity. Discrete financial information about each of these operating divisions is reported to the Board on a regular basis.

Reportable segments are based on aggregated operating segments determined by the similarity of the products sold and/or the services provided, as these are the sources of the Group's major risks.

The Group's reportable segments are Investments, Car Parking and Property. The Investments division comprises the Group's investments in both listed and non-listed securities. The Car Parking division includes gross revenues and expenses from car parks whose leases are owned by the Group, as well as the Group's share of results from the Secure Kings Unit Trust. The Property division includes all results derived from accommodation, marinas and property assets held by the Group, either directly or through joint venture entities or joint venture operations.

The following table presents revenue and profit information for the half-year periods ended 31 December 2015 and 31 December 2014, and total asset information as at 31 December 2015 and 30 June 2015 as applicable to the Group's reportable segments.

FOR THE HALF-YEAR ENDED 31 DECEMBER	INVESTMENTS		CAR PARKING		PROPERTY		UNALLOCATED <sup>1</sup>		ELIMINATIONS		GROUP	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Segment Revenue and Results</b>												
External	673	568	5,880	5,327	611	981	90	175	—	—	7,254	7,051
Interest	335	356	—	—	234	262	—	—	—	—	569	618
Inter-segment	—	—	—	—	—	—	100	100	(100)	(100)	—	—
Other gains / (losses)	662	(1,503)	—	—	—	(197)	—	—	—	—	662	(1,700)
Share of net profit of associates	1,773	1,332	2,149	2,691	288	291	—	—	—	—	4,210	4,314
<b>Total Segment Revenue</b>	<b>3,443</b>	<b>753</b>	<b>8,029</b>	<b>8,018</b>	<b>1,133</b>	<b>1,337</b>	<b>190</b>	<b>275</b>	<b>(100)</b>	<b>(100)</b>	<b>12,695</b>	<b>10,283</b>
<b>Profit / (loss) before income tax</b>	<b>3,106</b>	<b>512</b>	<b>2,700</b>	<b>2,968</b>	<b>459</b>	<b>65</b>	<b>(1,668)</b>	<b>(2,084)</b>	<b>—</b>	<b>—</b>	<b>4,597</b>	<b>1,461</b>
<b>Income tax (expense) / benefit</b>											<b>(181)</b>	<b>576</b>
<b>Profit after income tax</b>											<b>4,416</b>	<b>2,037</b>
AS AT 31 DECEMBER 2015	31 Dec 2015 \$'000	30 June 2015 \$'000	31 Dec 2015 \$'000	30 June 2015 \$'000	31 Dec 2015 \$'000	30 June 2015 \$'000	31 Dec 2015 \$'000	30 June 2015 \$'000	31 Dec 2015 \$'000	30 June 2015 \$'000	31 Dec 2015 \$'000	30 June 2015 \$'000
<b>Total segment assets</b>	<b>58,843</b>	<b>58,053</b>	<b>6,964</b>	<b>6,907</b>	<b>17,548</b>	<b>16,955</b>	<b>9,086</b>	<b>8,254</b>	<b>—</b>	<b>—</b>	<b>92,441</b>	<b>90,169</b>

<sup>1</sup> Unallocated segment includes corporate costs, a deferred tax asset and other corporate assets.

# Notes to the Financial Statements

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

### 6. CONTROLLED ENTITIES

No controlled entities were deregistered during the period.

### 7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Name	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
			2015	2014
Secure Kings Unit Trust	Car parking	NSW	50%	50%
Orams NZ Unit Trust	Marina management	QLD	50%	50%
NatureSeal Inc	Food life extension technology	US	17%	17%
AgriCoat NatureSeal Ltd	Food life extension technology	UK	17%	17%
Lake Gold Pty Ltd	Dormant	QLD	50%	50%
Batemans Bay Marina Unit Trust	Marina management and development	NSW	50%	50%

Last financial year a judgment of \$6,900 was entered into against Secure Parking Pty Ltd as trustee for the Secure Kings Unit Trust, a 50%-owned associate of Ariadne, and an appeal against this judgment lodged. The appeal was heard by the New South Wales Court of Appeal in October 2015 and the Court's decision is awaited. The Group has previously provided for its proportionate share of the amount of the judgment and estimated related costs, an additional \$432 in costs have been provided for in this first half reported result.

### 8. ASSETS HELD FOR SALE

On 23 October 2015 the Directors announced that Ariadne had entered into a conditional agreement to dispose the Group's interests in the Port Macquarie and Batemans Bay marinas. The sale is now expected to be completed before March 2016 for consideration of \$3,500. Accordingly the Group has classified the carrying values of Port Macquarie marina and the Batemans Bay marina and its associated assets at 31 December 2015 as Assets held for sale. The bank debt associated with the Port Macquarie marina will be repaid on the sale of the marinas.

### 9. SHARE BUY-BACK

On 28 August 2015, Ariadne announced a twelve month extension of its on-market share buy-back facility as part of ongoing capital management initiatives. The buy-back is for the purpose of acquiring shares where they are trading at values below the Board's opinion of the intrinsic value of the shares. During the period Ariadne bought back and cancelled 1,529,212 shares at a cost of \$568.

### 10. CONTINGENT ASSETS AND LIABILITIES

Ariadne has given guarantees and indemnities in relation to the borrowings and performance of several of its controlled and associate entities under agreements entered into by those entities. All borrowings are directly supported by assets in the entities on the behalf of which these guarantees and indemnities have been provided.

Certain entities in the Group are party to various legal actions and claims which have arisen in the ordinary course of business. Any liabilities arising from such legal actions and claims are not expected to have a material adverse effect on Ariadne. Provisions are not required in respect of these matters, as it is either not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

### 11. EVENTS AFTER THE BALANCE SHEET DATE

A partially franked interim dividend of \$1,011, which represents 0.5 cents per share has been declared in relation to the 30 June 2016 financial year; no liability is recognised in the 31 December 2015 financial statements as this dividend was declared after the balance sheet date.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in the future financial periods.

## Directors' Declaration

In accordance with a resolution of the Directors of Ariadne Australia Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity for the half-year ended 31 December 2015 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2015 and of its performance for the half-year ended on that date;
  - (ii) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'David Baffsky', with a stylized flourish at the end.

David Baffsky, AO  
Director  
19 February 2016

## **Independent Auditor's Review Report to the members of Ariadne Australia Limited**

We have reviewed the accompanying half-year financial report of Ariadne Australia Limited, which comprises the balance sheet as at 31 December 2015, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 14.

### ***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 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 Ariadne Australia 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.

## ***Auditor's Independence Declaration***

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 half-year financial report of Ariadne Australia 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*.



DELOITTE TOUCHE TOHMATSU



J A Leotta  
Partner  
Chartered Accountants  
Sydney, 19 February 2016