KEYBRIDGE CAPITAL LIMITED

ASX Code: KBC

Keybridge Capital Limited

ABN 16 088 267 190

Appendix 4E

(ASX Listing Rule 4.3A)

Preliminary Unaudited Financial Report
For the year ended 30 June 2016

Reporting period – 1 July 2015 to 30 June 2016
(Previous corresponding period – 1 July 2014 to 30 June 2015)

KEYBRIDGE
CAPITAL LIMITED

31 August 2016

Keybridge Capital Limited (ABN 16 088 267 190)

Preliminary Final Report (Appendix 4E)
Financial Year Ended ("Current Period") 30 June 2016

The directors of Keybridge Capital Limited (Keybridge) announce the consolidated results of Keybridge for the year ended 30 June 2016 as follows:

Final results for announcement to the market:

Extracted from 2016 Financial Report	Change	2015 $'000	2016 $'000	Change in Value $'000	% change
Revenue from ordinary activities	Up	4,037	6,847	2,810	69.6%
Net profit after tax from continuing operations	Up	851	2,004	1,153	135.5%
Loss from discontinued operations (net of tax)	Up	(132)	(4,474)	4,342	N/A
Profit/ (loss) after tax attributable to members	Down	719	(2,244)	(2,963)	(412.1%)

For the purposes of this review, results are compared with the prior comparable period of the consolidated entity.

Dividends for the full year ended 30 June 2016 are:

Dividends	Record date	Payment date	Fully Franked dividend per security
Interim dividend	31 March 2016	15 April 2016	0.25 cents
Final dividend	N/A	N/A	N/A

Due to the Company making a loss during the second half of the year, the directors have determined not to pay a final dividend. The Dividend Reinvestment Plan (DRP) will not be operational.

Net Asset Backing

	As at 30 June:		
	2016 $ per share	2015 $ per share restated	2015 $ per share original
Net Asset Value per security	$0.187	$0.206	$0.203
Net Tangible Assets per security*	$0.187	$0.175	$0.179

** Excludes intangibles and goodwill.*

Entities over which control has been gained or lost during the period:

Control gained over entities

Name of entity (or group of entities)	The date of the gain of control
Ledcom International S.r.l	1 July 2015

Control lost over entities

Name of entity (or group of entities)	The date of the loss of control
Aurora Funds Management Limited	30 June 2016
Ledcom International S.r.l	1 June 2016

Details of associates and joint venture entities:

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Current period %	**Previous corresponding period %**	**Current period $'000**	**Previous corresponding period $'000**
Name of associate: **HHY Fund**				
Total comprehensive income after tax of the associate	–	–	1,768	–-
Group's share of total comprehensive income after tax of the associate	21.62%	19.99%*	361	–
Income tax on operation activities	–	–	–	–

**Not equity accounted.*

COMMENTARY ON THE RESULTS FOR THE YEAR AND SIGNIFICANT INFORMATION

Operating results

The consolidated loss of the Group for the financial year after providing for income tax amounted to $2.470 million (2015: restated profit of $0.719 million)

Review of operations

FY16 started out well with two legal cases settling in the first half of the year, which recovered over $3.0 million in cash profit. These recoveries together with new investments in Aurora Funds Management Limited ("Aurora") and Foundation Life showed significant promise for the year ahead.

The intention in acquiring Aurora was to turn Keybridge into a boutique funds manager, however, the Aurora business faced a number of major issues throughout the year, which ultimately resulted in Aurora delivering a substantial operating loss and Keybridge making the decision to sell the business at a significant loss against the original purchase price.

The Company's other unlisted investments, including its interest in Foundation Life, the Totana Solar facility and its loan to Republic Private Equity generally performed satisfactorily, with the exception of Ledcom International S.r.l (Ledcom), an early stage technology investment, which was sold during the year at a loss. Cash returns were generated by Foundation Life and Totana in accordance with the underlying business plans and continue to deliver profitable returns for shareholders.

The Company's listed investments include stakes in Molopo Energy Limited, PTB Group Limited and HHY Fund amongst others. These investments represent a large component of the carrying value of the Company, and are generally accounted for at year end on mark-to-market share prices. These equity holdings generated small realised and unrealised profits for the year and Keybridge believes that there is significant further unrecognised value in the shares currently held in these companies and hopes to achieve significant profits on these investments in due course.

Review of results

The Directors are disappointed to report that the Group earned a net loss after tax in the 2016 financial year of $2.47 million (2015: gain $0.72 million). This was a major disappointment after returning to profitability in the 2015 financial year.

Basic and diluted loss per share attributable to the owners of the Company for FY16 was 1.41 cents per share compared with a profit of 0.45 cents per share in FY15.

Revenue and income for the period of $6.847 million (2015: Restated $4.037 million) included interest on loans, dividends from investments, realised and unrealised gains on investments and FX, the Company's share of profits from equity accounted investments, plus the one off gains generated throughout the year as a result of litigation recoveries. However, it excludes income from fees generated by Aurora, as this is treated as a discontinued operation.

Operating expenses of $5.670 million (2015: Restated $3.009 million), includes corporate overhead and administration costs, legal costs on asset recoveries and the ($2.26 million) impairment expenses relating to the carrying value of Aurora up to 31 December 2015. However, it excludes the impairment on the carrying value of Aurora since 1 January 2016 ($1.465 million loss on sale), and the operating losses incurred by Aurora for the whole financial year (of $2.135 million). These items are both included in the loss from discontinued operations together with losses relating to the investment in Ledcom totalling $0.874 million. Largely as a result of the losses on Aurora and Ledcom, the Group's underlying equity position declined during the 2016 financial year from $32.867 million at 30 June 2015 to $29.758 million at 30 June 2016.

The Company also returned $0.795 million during the year by way of a 0.25 cents per share fully franked interim dividend to shareholders and paid $0.311 million to the CRPN holders.

Capital Structure

During the financial year ended 30 June 2016, the following movements in share capital occurred:

- 541,959 ordinary shares were acquired as part of the Company's on-market buyback program.

Significant events after Balance Date

An extraordinary General Meeting of Shareholders was held on 29 July 2016, at which time Andrew Moffat was removed as a Director and Chairman of the Company, and two new directors, Simon Cato and William Johnson, were appointed.

On 10 August 2016, Bill Brown resigned as a Director and Interim Chairman of the Company, and John Patton was appointed as a Director of the Company.

There are no other matters which significantly affected or may significantly affect the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial periods, other than that included in this report under the Review of Operations and Results.

Basis of Preparation

The financial report has been prepared on a going concern basis which takes into account the Groups assets and liabilities and assumes that funds will be obtained from several sources as outlined in the notes to the Preliminary Unaudited Consolidated Financial Statements.

Audit qualification or review

This report is based on accounts which are in the process of being audited. As at the date of this report the Directors are not aware of any audit items under dispute or item which would result in qualification.

An Annual Financial Report containing the audit report will be provided in due course.

Further information regarding Keybridge Capital Limited and its business activities can be obtained by visiting Keybridge's website at www.keybridge.com.au.

Yours faithfully,

Ian Pamensky
Company Secretary
Keybridge Capital Limited

KEYBRIDGE CAPITAL LIMITED

Appendix 4E Contents and checklist of requirements

1. Reporting period and corresponding period.	Refer to Cover page of this Appendix 4E.
2. Results for announcement to the market.	Refer to Page 1 of this Appendix 4E.
3. Consolidated statement of comprehensive income.	Refer to Page 2 of the Preliminary Unaudited Financial Report.
4. Consolidated statement of financial position.	Refer to Page 3 of the Preliminary Unaudited Financial Report.
5. Consolidated statement of cash flows.	Refer to Page 4 of the Preliminary Unaudited Financial Report.
6. Consolidated statement of changes in equity.	Refer to Page 5 & 6 of the Preliminary Unaudited Financial Report.
7. Details of dividends or distributions.	Refer to Page 1 of this Appendix 4E.
8. Details of dividend or distribution reinvestment plans in operation and the last date of receipt of an election notice for participation in any dividend or distribution reinvestment plan.	Refer to Page 1 of this Appendix 4E.
9. Net tangible assets per security.	Refer to Page 1 of this Appendix 4E.
10. Details of entities over which control has been gained or lost during the period.	Refer to Page 2 of this Appendix 4E.
11. Details of joint venture entities and associated entities.	Refer to Page 2 of this Appendix 4E.
12. Any other information needed by an investor to make an informed assessment of the entity's financial performance and financial position.	Refer to Page 2 & 3 of this Appendix 4E and Preliminary Unaudited Financial Report.
13. Accounting standards used in compiling reports by foreign entities.	Not applicable.
14. A commentary on the results for the period.	Refer to Page 2 & 3 of this Appendix 4E.
15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.	Refer to Page 4 of this Appendix 4E. This report is based on accounts which are in the process of being audited.
16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification a description of the likely dispute or qualification.	Not applicable.
17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.	Not applicable.

Keybridge Capital Limited

ABN 16 088 267 190

Preliminary Unaudited Financial Report

For the year ended 30 June 2016

PRELIMINARY UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	2016 $'000	Restated 2015 $'000
Revenue and income			
Fees		121	346
Interest income		978	2,047
Net unrealised (loss) on investments		639	(320)
Net realised gain on disposal of investments		378	207
Unrealised gain on derivative liabilities		198	–
Share of profits from investments in associates		361	–
Dividend received		517	616
Net foreign currency gain/(loss) on foreign currency assets		37	1,194
Other income	7	3,618	(53)
Operating income		6,847	4,037
Expenses			
Net impairment expenses	10	(2,260)	915
Administration expenses		(346)	(349)
Employment costs		(1,314)	(1,201)
Legal and professional fees		(897)	(2,168)
Recovery Expenses		(608)	–
Other expenses		(245)	(206)
Results from operating activities		1,177	1,028
Finance costs		(312)	(5)
Profit before income tax		865	1,023
Income tax benefit/(expense)		1,139	(172)
Profit for the period		2,004	851
Discontinued operation			
Loss from discontinued operation (net of tax)	17	(4,474)	(132)
Profit/(Loss) for the period		(2,470)	719
Profit/(Loss) attributable to:			
Owners of Keybridge		(2,244)	719
Non-controlling interests		(226)	–
Profit/(loss) for the period		(2,470)	719
Earnings per share from continuing operations attributable to the owners of Keybridge Capital Limited			
		Cents	Cents
Basic profit/(loss) (cents per share)	15	1.26	0.53
Diluted profit/(loss) (cents per share)	15	1.26	0.53
Earnings per share from discontinued operations attributable to the owners of Keybridge Capital Limited			
		Cents	Cents
Basic profit/(loss) (cents per share)	15	(2.67)	(0.08)
Diluted profit/(loss) (cents per share)	15	(2.67)	(0.08)
Earnings per share for loss attributable to the owners of Keybridge Capital Limited			
		Cents	Cents
Basic profit/(loss) (cents per share)	15	(1.41)	0.45
Diluted profit/(loss) (cents per share)	15	(1.41)	0.45

The above preliminary unaudited consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.

PRELIMINARY UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	2016 $'000	Restated 2015 $'000
Cash and cash equivalents	8	1,665	2,833
Trade and other receivables		399	1,680
Loans and Receivables – net	10	774	1,754
Financial assets at fair value through profit or loss	11	8,993	10,791
Goodwill	9	–	–
Other assets		–	413
Total current assets		11,831	17,471
Loans and Receivables – net	10	16,419	16,611
Financial assets at fair value through profit or loss	11	4,102	4,642
Goodwill	9	–	1,139
Intangible	9	–	3,797
Trade and other receivables		–	127
Investments in associates	12	2,662	–
Property, plant and equipment		14	56
Total non-current assets		23,197	26,372
Total assets		35,028	43,843
Payables		1,050	3,301
Financial liabilities at fair value through profit or loss	11	17	1,090
Borrowings		–	1,020
Total current liabilities		1,067	5,411
Deferred tax liabilities		–	1,139
Financial liabilities at fair value through profit or loss	11	4,203	4,426
Total Noncurrent liabilities		4,203	5,565
Total liabilities		5,270	10,976
Net assets		29,758	32,867
Equity			
Share capital	13	253,717	253,809
Reserves		1,813	835
Retained earnings/(losses)		(225,772)	(221,777)
Total equity attributable to equity holders of Keybridge		29,758	32,867

The preliminary unaudited consolidated statement of financial position is to be read in conjunction with the accompanying notes.

PRELIMINARY UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Note	2016 $'000	Restated 2015 $'000
Cash flows from operating activities			
Fees received		1,994	290
Interest received		469	1,659
Payments to suppliers and employees		(7,229)	(3,774)
Interest payment		(332)	–
Realised cash from foreign exchange		(420)	85
Income tax (paid)/received		–	1
Other income		3,890	95
Net cash from operating activities		(1,628)	(1,644)
Cash flows from investing activities			
Dividends received		127	22
Payments for purchase of loans and receivables		–	(3,736)
Proceeds from sale/repayments of loan and receivables		1,170	4,676
Disposal of discontinued operations, net of cash disposed of		153	–
Acquisition of subsidiary, net of cash acquired		–	(2,092)
Net proceeds/ (payments) from/ for financial assets held at fair value through profit or loss		923	(8,634)
Net cash from investing activities		2,373	(9,764)
Cash flow from financing activities			
Repurchase of Keybridge own shares (market buy-back)		(92)	(572)
Proceeds from the issue of ordinary share capital		–	500
Dividends paid		(795)	(208)
Repayment of loans and borrowings		(1,025)	–
Net cash from/(used) financing activities		(1,912)	(280)
Net increase/(decrease) in cash and cash equivalents		(1,167)	(11,688)
Cash and cash equivalents at 1 July		2,833	14,535
Effect of exchange rate fluctuations on cash held		(1)	(13)
Cash and cash equivalents at 30 June	8	1,665	2,833

The preliminary unaudited consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

PRELIMINARY UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

			Reserves							
	Note	Share capital $'000	Treasury Share Reserve $'000	Share-based payments $'000	Foreign exchange translation $'000	Profits reserve $'000	Retained earnings/ losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2015		253,315	–	37	–	534	(221,528)	32,358	–	32,358
Restatements	5	494	–	227	–	37*	(249)	509	–	509
Restated balance at 1 July 2015		253,809	–	264	–	571	(221,777)	32,867	–	32,867
Total comprehensive income for the period										
Profit/(loss) for the period		–	–	–	–	1,750	(3,995)	(2,245)	(226)	(2,470)
Total comprehensive income for the period		–	–	–	–	1,750	(3,995)	(2,245)	(226)	(2,470)
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Acquisition of company own shares via on-market buyback		(92)	–	–	–	–	–	(92)	–	(92)
Dividends		–	–	–	–	(795)	–	(795)	–	(795)
Transfer to treasury share reserve										
Recognition of share-based payment reserve		–	–	23	–	–	–	23		23
Consolidation of Ledcom										
NCI on disposal of Ledcom		–	–	–	–	–	–	–	226	226
Changes in ownership interests in subsidiaries										
Total transactions with owners of the Company		(92)	–	23	–	(795)	–	(864)	226	(638)
Balance at 30 June 2016		253,717	–	287	–	1,526	(225,772)	29,758	–	29,758

** Profit for Half Year to 31 December 2014 has been restated down from $731,000 to $646,000 due to errors in the treatment of interest income and ESP expenses during the period – see note 5 for further details.*

The preliminary unaudited consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

KEYBRIDGE CAPITAL LIMITED

PRELIMINARY UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

For the year ended 30 June 2015

			Reserves							
	Note	Share capital $'000	Treasury Share Reserve $'000	Share-based payments $'000	Foreign exchange translation $'000	Profits reserve $'000	Retained earnings/ losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2014		258,118	–	–	–	–	(221,528)	36,590	–	36,590
Total comprehensive income for the period		–	–	–	–	–	–	–	–	–
Profit for period		–	–	–	–	534	–	534	–	534
Total comprehensive income for the period		–	–	–	–	534	–	534	–	534
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Issue of ordinary shares		500	–	–	–	–	–	500	–	500
Issue of ordinary shares related to dividend reinvestment		225	–	–	–	–	–	225	–	225
Acquisition of company own shares via on–market buy-back		(571)	–	–	–	–	–	(571)	–	(571)
Capital return via convertible redeemable promissory notes		(4,957)	–	–	–	–	–	(4,957)	–	(4,957)
Equity settled share-based payment		–	–	37	–	–	–	37	–	37
Total transactions with owners of the Company		(4,803)	–	–	–	–	–	(4,766)	–	(4,766)
Balance at 30 June 2015		253,315	–	37	–	534	(221,528)	32,358	–	32,358

The preliminary unaudited consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

KEYBRIDGE CAPITAL LIMITED

NOTES TO THE PRELIMINARY UNAUDITED CONSOLIDATEDFINANCIAL STATEMENTS

For the year ended 30 June 2016

1. REPORTING ENTITY

Keybridge Capital Limited (referred to as Keybridge or the Company) is a company incorporated and domiciled in Australia. The Consolidated Financial Statements of Keybridge as at and for the year ended 30 June 2016 comprise Keybridge and its subsidiaries (together referred to as the Group) and the Group's interests in associates. Keybridge is a for-profit entity and is primarily involved as a financial services company that has invested in, or lent to, transactions which predominantly are in the core asset classes of funds management, infrastructure, listed equity, private equity, insurance, property and lending.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2016 is available upon request from Keybridge's registered office at Level 4, 1 Alfred Street, Sydney NSW 2000 or at www.keybridge.com.au.

2. BASIS OF PREPARATION

(a) Statement of compliance

The preliminary consolidated financial report is intended to provide users with an update on the latest annual financial statements of the Company. As such it does not contain all information that represents relatively insignificant changes occurring during the year within the group. It is therefore recommended that this financial report is to be read in conjunction with the with the annual financial statement of the group year ended 30 June 2016, the half year interim financial report to 31 December 2015 and any public announcements made during the year.

The preliminary consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Consolidated Financial Statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

(b) Basis of preparation

The preliminary consolidated financial statements have been prepared on the historical cost basis except for 'Financial assets and financial liabilities at fair value through the profit or loss, which are measured at fair value.

Keybridge is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016 and in accordance with that Corporations Instrument, all financial information presented in Australian Dollars has been rounded to the nearest thousand unless otherwise stated.

(c) Functional and presentation currency

These preliminary consolidated financial statements are presented in Australian Dollars, which is Keybridge's functional currency and the functional currency for the entire Group.

(d) Use of estimates and judgements

The preparation of preliminary consolidated financial statements in conformity with AASB requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the notes.

2. BASIS OF PREPARATION *(continued)*

(e) Changes in accounting policies

For the current reporting period, the Group has applied the following amendment to AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2015, and therefore relevant for the current year end.

AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	This amendment completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that.

The application of this amendment does not have any material impact on the disclosures of the amounts recognised in the Group's consolidated financial statements.

(f) Segment information

The amendment to AASB 134 clarifies that the Group needs to disclose the measures of total assets and liabilities for a particular reportable segment only if the amounts are regularly provided to the Group's chief operating decision maker, and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements and have been applied consistently by the Group entities, except as explained in Note 2(e), which address changes in accounting policies.

a. Basis of consolidation

(i) Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (a)(ii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(iv) Investments in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of the profit or loss and Other Comprehensive Income (OCI) of equity-accounted investees, until the date on which significant influence or joint control ceases.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.
Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

c. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign currency losses on foreign assets are recognised as an expense in the Consolidated Statement of Comprehensive Income.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d. Financial instruments

The Group initially recognises Loans and Receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: Financial assets at fair value through profit or loss and Loans and Receivables.

Cash and cash equivalents comprise cash balances, call deposits and short term deposits.

Accounting for interest income and borrowings costs is discussed in Notes 3(j) and 3(k).

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Attributable transaction costs are recognised in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Changes in the fair value of financial assets at fair value through profit and loss are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition Loans and Receivables are measured using the effective interest method, less any impairment losses.
The collectability of debts is assessed at reporting date and where required specific provision is made for any doubtful debts or on a collective basis for a portfolio of loans considered collectively impaired. Refer to Note 3(e).

Loan write-offs

Loans (and the related impairment allowance accounts) are normally written off, either partially or in full, when there is no realistic prospect of recovery of these amounts and, for collateralised loans, when the proceeds from the realisation of security have been received.

Other financial liabilities

The Group initially recognises other financial liabilities on the date that they are originated, which is the date the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. CRPNs are measured at fair value.

Other financial liabilities comprise loans and borrowings and trade payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax effects.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased and cancelled, the amount of the consideration paid which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity.

When the Group repurchases shares to provide shares to employees under an employee equity plan, when the shares are assigned to employees the cost of these shares is transferred to the share-based payment reserve.

e. Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The Group considers evidence of impairment for Loans and Receivables at a specific asset level. All Loans and Receivables are assessed for specific impairment.

Future cash flows for Loans and Receivables in the infrastructure segment have taken into account longer term market indicators, such as future energy prices. The reason for the longer term market indicators being used is due to the fact that financial assets are not expected to be realised over the short term. Individually significant financial assets are tested for impairment on an individual basis.

All impairments are recognised in profit or loss. An impairment loss is reversed where such reversal can be related objectively to an event occurring after the impairment was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

f. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within 'other income' in profit or loss.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:
- Leasehold improvements: 13 years.
- Furniture and fittings: 5 years.
- Computer equipment: 3 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

h. Intangible assets and goodwill

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is not amortised.

i. Employee benefits

(i) Short term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as superannuation workers' compensation insurance and payroll tax.

A provision is recognised for the amount expected to be paid under short-term cash retention or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ii) Retirement benefit obligations

Contributions to a defined contribution fund are recognised as an expense as they become payable. These are paid into a separate entity and the Group has no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share-based payment transactions

The fair value of performance rights granted to employees in relation to any Employee Equity Plan is measured at grant date and recognised as an employee expense, with a corresponding increase in equity, over the period in which the performance rights vest. The grant date is defined as the date when Keybridge and employee have a shared understanding of the terms and conditions.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date.

j. Fees and interest income

Interest income is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset to the carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Where there are uncertainties in relation to the collectability of interest income, the Group will determine whether income is probable. Where it is not probable, the interest is accordingly not accrued.

The Group receives fees for such services as loan extensions or debt facility management. Fees that are integrated in the effective yield of the financial assets are included in the measurement of the effective interest rate.

Management and performance fee revenue

Management fee revenue is recognised in profit or loss as it accrues based on the entitlements set out in the relevant investment management agreements, and listed and unlisted fund constitutions or product disclosure statements. Performance fee revenue is recognised in profit or loss when Keybridge's entitlement to it becomes certain, usually at the end of the period to which the fee relates.

k. Finance/Interest income and finance costs

Finance expenses comprise interest expense on borrowings and accrual of deferred establishment fees over the term of each loan. Foreign currency gain or losses on borrowings are disclosed separately. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

l. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(i) Tax consolidation

Keybridge is the Head Entity of the tax consolidated group comprising all the Australian wholly-owned subsidiaries. The entities entered into a tax sharing and funding agreement effective June 2013.

Under the terms of this agreement current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the Head Entity in the tax consolidated group and are recognised as amounts payable/ (receivable) to/(from) other entities in the tax consolidated group in conjunction with any tax funding arrangement amounts. Any difference between these amounts is recognised by the Head Entity and members as an equity contribution or distribution.

The Group recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the Head Entity only.

(ii) Nature of tax funding arrangements and tax sharing arrangements

The Head Entity, in conjunction with other members of the tax consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the Head Entity equal to the current tax liability/(asset) assumed by the Head Entity and any tax loss deferred tax asset assumed by the Head Entity, resulting in the Head Entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter-entity receivables (payables) are at call.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the Head Entity's obligation to make payments for tax liabilities to the relevant tax authorities. The contribution amount arising under the tax funding arrangement is charged to Keybridge through the inter-company account.

m. Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of Keybridge by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise any share options granted to employees.

n. Segment reporting

Determination and presentation of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Executive Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly, head office expenses, and income tax assets and liabilities.

The Group comprises the following main operating segments:

- Direct Investment
- Funds Management

o. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

4. DETERMINATION OF FAIR VALUES

The Group has an established control framework with respect to the measurement of fair values. This includes regular reviewing of significant fair value measurements, including Level 3 fair values, and reports directly to the Managing Director.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

5. CORRECTION OF PRIOR YEAR ERRORS

Restatements

1. The historical accounting treatment for the interest income accrued against the in-substance loans made under the employee share plan (ESP) for shares held in escrow was not correct. The accounting error in relation to this interest income issue dates back to 1 October 2014 being the date that the first two in-substance loans were made under the ESP.

   Due to the recourse nature of the interest to the participants of the ESP, interest income was incorrectly recognised in the Statement of Profit or Loss and should have been recognised in an equity reserve under share-based payments (SBP) on the Statement of Financial Position.

   The impact of the error on the comparatives is disclosed in the table in Note 5.5 below. The error resulted in the profit for the year ended 30 June 2015 being overstated by $148,230, a $125,740 understatement of SBP reserve in equity and the ESP interest receivable being overstated by $22,490. The only interest that is brought to the income statement is the unwind of the present value discount of the total interest over the life of the ESP.

2. As reflected in the table below, some of the assumptions used in the valuation model for the SBP option expense were incorrect and therefore an error was made in the historical accounting treatment for the SBP of the ESP and was not in accordance with AASB 2. The error for the SBP expense issue dates back to 1 October 2014 being the grant date of the ESP.

	Original inputs		Restated inputs	
	Key management personnel	Senior employees	Key management personnel	Senior employees
Fair value at grant date (cents) - Tranche 1	0.0060	0.0069	0.0420	0.0510
Fair value at grant date (cents) - Tranche 2	0.0060	N/A	0.0232	N/A
Share price at grant date (cents)	0.1865	0.1950	0.1865	0.1990
Exercise price (cents) - Tranche 1	0.2640	0.2440	0.2300	0.2440
Exercise price (cents) - Tranche 2	0.2640	N/A	0.3450	N/A
Expected volatility (weighted-average)	32%	32%	45%	45%
Expected life (weighted-average)	3.3 years	3.3 years	3.3 years	3.3 years
Expected dividends	3.50%	3.50%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	2.26%	2.26%	2.03%	2.94%

   The impact of the error on the comparatives, as relevant, is disclosed in the table in Note 5.5 below. The error resulted in SBP expense for the year ended 30 June 2015 being understated by $100,991 and profit overstated by $100,991.

3. On 30 June 2015, Keybridge issued Convertible Redeemable Promissory Notes (CRPN) for shares that were held in escrow as part of the ESP. The ESP rules did not allow for the issue of these instruments to the participants. At the time of issue of the CRPNs, Keybridge should have accounted for the reduction in capital as a reduction of the ESP in-substance loans. The historical accounting treatment for the CRPNs issued with respect to the shares held in escrow via the ESP was therefore not correct, with the error dating back to 30 June 2015 being the date of the issue of the CRPN.

   A total of 531,004 CRPNs were recognised in error as a liability in the year ended 30 June 2015. These CRPNs will be cancelled (refer to the 30 June 2015 financial statements for terms of the employee share plan).

5. CORRECTION OF PRIOR YEAR ERRORS *(continued)*

The impact of the error on the comparatives is disclosed in the table in Note 5.5 below. The error resulted in the liabilities for the year ended 30 June 2015 being overstated by $531,004 and paid up capital understated by $531,004.

4. The dividend paid in March 2015 to shareholders offered the right to participate in a dividend reinvestment plan (DRP). The ESP rules did not allow for the issue of shares under a DRP, and could only be treated as a reduction of the ESP in-substance loans for the amount of the dividend. The shares that were issued to the ESP participants under the DRP will be cancelled.

   This error dates back to March 2015 being the date of the payment of the dividends and the issue of the DRP shares.

   The dividends are to be paid in accordance with the loan agreement, which does not permit payment by way of DRP shares. The dividend amount should have been recorded as a reduction to the participants in-substance loans (refer to the 30 June 2015 financial statements for terms of the employee share plan).

   The impact of the error on prior period comparatives, as relevant, is disclosed in the table below. The error resulted in share capital at 30 June 2015 being overstated by $37,250 and profit reserve understated by $37,250.

5. The total restatement for the profit for the FY15 full year is a reduction in profit of $249,000, representing a reduction in the previously reported basic and diluted earnings by 0.157 cents per share.

   As a result of available tax losses to Keybridge there is no tax implication to these restatements.

		Adjustments				
		1	2	3	4	
	Previously stated as at 30 June 2015 $'000	Interest income $'000	ESP expense $'000	CRPN issue $'000	DRP Dividends paid $'000	Restated as at 30 June 2015 $'000
Statement of comprehensive income as at 30 June 2015						
Other income (Note 7)	149	(148)	–	–	–	1
Employment expense	1,526	–	(101)	–	–	(138)
Impact on profit at 30 June 2015	**968**	**(148)**	**(101)**	**–**	**–**	**719**
Basic and diluted earnings per share (cents)	0.61	(0.09)	(0.06)	–	–	0.46
Statement of financial position as at 30 June 2015						
Financial liabilities at fair value through profit or loss (Note 11)	4,957	–	–	(531)	–	4,426
Trade and other receivables	149	(22)	–	–	–	719
Equity						
Share capital	253,315	–	–	531	(37)	253,809
Reserve – Share-based payments reserve	37	126	101		–	263
Reserve – Profits reserve	534	–	–	–	37	571
Retained earnings/(losses)	(221,528)	(148)	(101)	–	–	(221,777)

See notes 6 and 17 for the retrospective restatement in accordance with the requirements of AASB 3 'Business Combinations' for amounts provisionally determined at the end of the prior period.

6. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are Keybridge's strategic business segments. Keybridge's Managing Director reviews internal management reports on at least a monthly basis for each of these strategic business segments, and is the chief operating decision-maker (CODM). The following summary describes the operations in each of the Group's reportable segments under AASB 8 are as follows:

Keybridge Capital – Direct investments

Keybridge Capital – Funds management

The Keybridge Direct Investments segment includes investments in the following asset classes:

- Solar: Loan and equity investment in a renewable energy facility.
- Private Equity: Loans to an entity investing in businesses in a range of industries.
- Listed Equities: Comprises investments in listed equities which currently have exposure to various types of industries.
- Insurance: An investment in Foundation Life Holdings which acquired a non-core life insurance subsidiary of Tower Limited. This investment is structured as a loan note and equity in Foundation Life.
- Property: Includes loans which are exposed to residential and commercial sites located in Australia.

These investments were previously reported as separate segments in the segment reporting but due to change in strategic direction it has now been decided to report these as two segments being Direct Investments and Funds Management. This better aligns with the current reporting to the CODM.

The Keybridge Funds Management segment included the investment in Aurora until it was sold on 30 June 2016. The investment was structured as a wholly-owned subsidiary of Keybridge.

Funds management has been defined as its own segment due to the nature of its business, providing funds management services and not a direct investment into alternative assets.

Information regarding the results of each reportable segment is included in this note. Performance is measured based on operating income less net impairment expense, unrealised losses on embedded derivatives and other assets and foreign exchange losses as included in the internal management reports that are reviewed by the CODM.

Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other segments within the Group's loans and investments. This allows management to determine where to best allocate the Group's resources as well as enabling the evaluation of the results to other lenders in the different industries.

6. OPERATING SEGMENTS *(continued)*

	Segment Profit and Loss			Segment Profit and Loss		
	30 June 2016 $'000	30 June 2016 $'000	30 June 2016 $'000	Restated 30 June 2015 $'000	30 June 2015 $'000	Restated 30 June 2015 $'000
	Direct Investment	Funds Manage-ment	Total	Direct Investment	Funds Manage-ment	Total
Revenue and income						
Fees	121	–	121	346	–	346
Interest income	978	–	978	2,047*	–	2,047*
Net unrealised gain/(loss) on listed equity	639	–	639	(320)	–	(320)
Net realised gain/ (loss) on disposal of investments	378	–	378	207	–	207
Unrealised gain/(loss) on derivative liabilities	198	–	198	0	–	0
Share of profits from investments in associates	361	–	361	0	–	0
Dividend income	517	–	517	616	–	616
Net gain/(loss) on foreign currency assets	37	–	37	1,194	–	1,194
Other income	3,618	–	3,618	(53)	–	(53)
Operating income	6,847	–	6,847	4,037	–	4,037
Expenses					–	
Net impairment gain/(expenses)	(2,260)	–	(2,260)	915	–	915
Administration expenses	(346)	–	(346)	(349)	–	(349)
Employment costs	(1,314)	–	(1,314)	(1,201)*	–	(1,201)*
Fund Management costs	–	–	–	0	–	0
Legal and professional fees	(897)	–	(897)	(2,168)	–	(2,168)
Recovery expenses	(608)	–	(608)	0	–	0
Other expenses	(245)	–	(245)	(206)	–	(206)
Results from operating activities	1,177	–	1,177	1,028	–	1,028
Finance costs	(312)	–	(312)	(5)	–	(5)
Profit/(Loss) before income tax	**865**	–	**865**	**1,023**	–	**1,023**
Income tax benefit/(expense)	1,139	–	1,139	(172)	–	(172)
Profit/(Loss) for the period	**2,004**	–	**2,004**	**851**	–	**851**
Loss from discontinued operations	(2,339)	**(2,135)**	(4,474)	–	(132)	(132)
Profit/(Loss) for the period	**(335)**	**(2,135)**	**(2,470)**	**851**	**(132)**	**719**

** Refer Note 5 above (Correction of prior year errors).*

6. OPERATING SEGMENTS *(continued)*

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the half year.

	30 June 2016		Restated 30 June 2015	
	$'000	% of Total	$'000	% of Total
Assets				
Direct Investments	35,027	100.00%	39,424	89.92%
Funds Management	–	0.00%	4,419*	10.08%
Total segment assets	35,027	100.00%	43,843	100.00%
Liabilities				
Direct Investments	5,270	100.00%	8,925	81.31%
Funds Management	–	0.00%	2,051*	18.69%
Total segment liabilities	5,270	100.00%	10,976	100.00%

7. OTHER INCOME

	2016 $'000	Restated 2015 $'000
Settlement Fees*	3,070	–
Distributions on zero valued assets	83	–
Receipts from investments in Associate	4	–
Litigation claims – Aurora**	134	–
Other	164	(53)
Income on loan write–offs	163	–
	3,618	(53)

** Keybridge received $3.070 million (before legal costs) as a result of two confidential settlements of legal proceedings to which it was not a direct party, but to which it held beneficial interests.*

*** Litigation costs recovery owed to Aurora at 30 June 2016.*

8. CASH AND CASH EQUIVALENTS

	2016 $'000	2015 $'000
Cash at bank	1,665	2,832
Short term deposits	–	1
	1,665	2,833

9. INTANGIBLE ASSETS AND GOODWILL

	2016 $'000	Restated 2015 $'000
Goodwill		
Balance at 1 July	1,139	25
Recognition of goodwill – Refer to Note 29	–	1,139
Impairment of goodwill*	(1,139)	(25)
Balance at 30 June	–	1,139
Carrying amounts at end of period	–	1,139

**As at 31 December 2015, the goodwill was tested for impairment and it was determined that a full impairment of the goodwill was required.*

	2016 $'000	Restated 2015 $'000
Intangibles		
Balance at 1 July	3,797	–
Recognition of intangible	–	3,797
Impairment of Aurora intangible	(1,545)	–
Write-off from disposal of entity^	(2,252)	–
Balance at 30 June	–	3,797
Carrying amount at end of period	–	3,797

^ Sale of Aurora.

9. INTANGIBLE ASSETS AND GOODWILL *(continued)*

	2016 $'000	Restated 2015 $'000
Impairment expenses		
Impairment of goodwill*	1,139	–
Impairment of intangible**	1,545	–
Less: Reduction of deferred consideration***	(800)	–
Total impairment of goodwill and intangibles*	1,884	–

** The Aurora assets were tested for impairment as at 31 December 2015 and it was determined that as a result of the decline in FUM, the intangible and goodwill were to be impaired. This is reflected in the impairment expense in the statement of comprehensive income. Refer Note 16.*

No test of impairment was carried out prior to the sale of Aurora at 30 June 2016. As the investment in Aurora was sold, (Note 17) a write off of the remaining intangible balance of $2.252 million was made.

**** The contingent consideration was reversed at 31 December 2015 as part of the revaluation of Aurora as the FUM was less than $120 million at 27 March 2016 and was not paid. Refer to Note 16.*

10. LOANS AND RECEIVABLES

	2016 $'000	2015 $'000
	Carrying amounts	
Individually impaired loans (gross)	15,688	30,176
Less: Allowance for impairment	(9,386)	(23,736)
Carrying amount	6,302	6,440
Loans not individually impaired	10,891	11,925
Carrying amount	10,891	11,925
Total carrying amount of Loans and Receivables	**17,194**	**18,365**
Current assets		
Infrastructure	493	400
Property	–	1,104
Insurance	281	250
Less: Allowance for impairment expenses	–	–
	774	**1,754**
Non-current assets		
Infrastructure	11,892	12,122
Private Equity	6,740	6,529
Property	4,189	4,459
Insurance	2,984	2,886
Lending (including Shipping)	–	14,351
Less: Allowance for impairment expenses	(9,386)	(23,736)
	16,419	**16,611**

	2016 $'000	2015 $'000
	Impairment provisions	
Income statement charge		
Loan impairment expenses		
Reversal of allowances no longer required	–	(1,627)
New Allowances	376	712
	376	(915)
Intangibles and goodwill assets (Note 16)		
Impairment of Goodwill	1,139	–
Impairment of Intangibles	1,545	–
Less: Reduction of deferred consideration *(Note 16)*	(800)	–
	1,884	–
Total recognised in income statement	2,260	(915)

11. FINANCIAL ASSETS AND LIABILITIES

a) Financial assets at fair value through profit or loss

	2016 $'00	2015 $'00
Shares in ASX-long position	13,095	13,953
Shares in NYSE-long position	–	553
Shares in SGX-long position	–	913
Shares in FTSE-long position	–	14
	13,095	15,433

b) Financial liabilities at fair value through profit or loss

	2016 $'00	2015 $'00
Shares in ASX-short position	–	553
Shares in NYSE-short position	–	537
FX Futures	17	–
	17	1,090

The net gain from investment during the year was $1.017 million (2015: $113,000 loss).

c) Financial liabilities at fair value through profit or loss – Convertible Redeemable Promissory Notes

	2016 $'00	Restated 2015 $'00
Balance at beginning of period	4,426	–
Issue of Convertible Redeemable Promissory Notes (CRPN)	–	4,426
On-market CRPN buy-back	(25)	–
Unrealised gain on revaluation at 30 June*	(198)	–
	4,203	4,426

** At 30 June 2016, a mark-to-market revaluation was completed.*

Keybridge Convertible Redeemable Promissory Notes (CRPN) are listed on the Australian Stock Exchange and have been designated as at fair value through profit or loss because they are managed on a fair value basis.

The CRPN were issued on 30 June 2015 on the following terms:

- an interest rate fixed at 7% per annum;
- interest/ dividend payments are to be fully franked or grossed up with additional equivalent cash payments;
- the CRPN rank ahead of ordinary shares and thus have a preferential right to payment of distributions and capital;
- At maturity, holders will have the ability to request a conversion of their CRPN to ordinary shares at a 2.5% discount of the volume weighted average price at the time (Keybridge may at that time either convert the CRPN into ordinary shares or cash redeem the CRPN at face value); and
- Keybridge may also elect to convert the CRPN to ordinary shares at a 5.0% discount of the VWAP at the time or cash redeem the CRPN on the occurrence of certain other trigger events.

There is no change in value during the period or any difference between the carrying amount and the contractual amount owed as at 30 June 2015.

12. EQUITY-ACCOUNTED INVESTEES

Investments in Associates

During the prior year to 30 June 2015, Keybridge built up a 19.99% interest in HHY Fund and accounted the investment at fair value though profit or loss. On 1 July 2015, Aurora was appointed as manager and Responsible Entity of the fund. It was determined that Keybridge had significant influence and going forward would be accounted as an investment in an associate. As at 30 June 2016, Keybridge held a 21.18% investment (due to the on market buy-back by HHY Fund).

	30 June 2016 $'000	30 June 2015 $'000
Investment in associates		
Carrying amount of interests in associates	2,662	–
Opening balance	2,301*	–
Keybridge's share of:		
Profit/(loss) from continuing operations	361	–
Distributions	–	–
Other comprehensive income	–	–
Total comprehensive income	361	–
Closing balance	2,662	–
Summarised financial information of HHY Fund**		
Current assets	12,363	–
Non-current assets	–	–
Current liabilities	50	–
Non-current liabilities	–	–
Net assets	12,313	–
Revenue	2,221	–
Profit from continuing operations before tax	1,768	–
Total comprehensive income after tax	1,768	–

** As at 30 June 2015 this investment was recorded as fair value through profit or loss and not as an investment in associate.*
*** Summarised financial information of HHY Fund represent the 100% of the Fund's financial information.*

Investments in Associates

Reconciliation of the above summarised financial information to the carrying amount of the interest in HHY Fund recognised in the consolidated financial statements:

	30 June 2016 $'000	30 June 2015 $'000
Net asset of the associates	12,313	–
Proportion of the Group's interest in HHY Fund	21.62%	–
Carrying amount of interests in associates	2,662	–

13. CONTRIBUTED EQUITY

(a) Issued and paid-up capital

	2016 $'000	Restated* 2015 $'000
158,812,327 (30 June 2015: 159,354,286) ordinary shares fully paid	253,717	253,809

**Refer Note 5.*

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of Keybridge in proportion to the number of, and amounts paid on, the shares held.
On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote.
Keybridge does not have par value in respect of its issued shares.

13. CONTRIBUTED EQUITY *(continued)*

(b) Movement in ordinary share capital

	2016 '000	2015 '000
Opening balance 1 July	159,354	158,694
Issued for business combination	–	–
Dividend Reinvestment Plan	–	984
Placement	–	2,597
Acquisition and cancellation of Keybridge's shares via on-market buy-back	(542)	(2,921)
Closing balance 30 June	158,812	159,354

(c) Nature and purpose of reserves

Profits reserve

The profits reserve comprises the transfer of net profit for the year and characterises profits available for distribution as dividends in future years. Dividends amounting to $ 795,065 (2015: $ 434,009) were distributed from the profits reserve during the year.

Share-based payment reserve

The share-based payment reserve comprises the portion of the fair value of the ESP options recognised as an expense. Share-based payment expense amounting to $ 23,077 (Restated 2015: $263,794 refer Note 5) was recognised during the year.

Shares issued and paid but not quoted

As at 30 June 2016, there are 15,000,000 (2015: 19,116,231) issued shares, which relate to the Keybridge Capital Executive Share Plan. The shares will be released to the relevant participants pursuant to specific vesting and service conditions including the repayment of the loan, any interest and any release fees.

	2016 '000	2015 '000
Opening balance 1 July	19,116	5,975
Issued Executive Share Plan19 December 2014	–	15,000
Cancel previous share plan shares 24 December 2014[#]	–	(5,975)
Dividend Reinvestment Plan shares issued 31 March 2015*	–	196
Issued Executive Share Plan 28 April 2015	–	3,920
Reversal of Dividend Reinvestment shares issued 31 March 2015*	(196)	–
Cancelled Executive Share Plan**	(3,920)	–
Closing balance 30 June	15,000	19,116

** The dividend paid in March 2015 to shareholders offered the right to participate in a dividend reinvestment plan (DRP). The ESP rules did not allow for the issue of shares under a DRP, and could only be treated as a reduction of the ESP in-substance loans for the amount of the dividend. The shares that were issued to the ESP participants under the DRP will be cancelled.*

*** Cancelled due to resignations, redundancies and the sale of AFML.*

[#] 5,975,000 shares issued (but not quoted) relating to the Group's redundant Director and Employee Share Scheme. These have since been removed from the ASX and subsequently cancelled during the 2015 financial year.

KEYBRIDGE CAPITAL LIMITED

14. DIVIDENDS

In respect of the financial year ended 30 June 2016, due to the Company making a loss during the second half year of the year, the Directors have determined not to pay a final dividend. An interim dividend of 0.25 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 15 April 2016.

In respect of the financial year ended 30 June 2015, as detailed in the directors' report for that financial year, a final dividend of 0.25 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 1 October 2015.

The Company will be paying the dividends for the Keybridge CRPNs, which are next due in September 2016.

	2016 $'000	2015 $'000
Amount of franking credits available to shareholders of Keybridge for subsequent financial years	7,983	8,139

15. EARNINGS PER SHARE

Basic and diluted profit/(loss) per share – from continuing operations

The calculation of basic and diluted profit/(loss) per share at 30 June 2016 was based on the profit attributable to ordinary shareholders of $2.246 million (2015: profit $0.719 million) and a weighted average number of ordinary shares outstanding of 158,941,407 (2015: 159,369,909) calculated as follows:

Earnings per share from continuing operations	2016 $'000	Restated 2015 $'000
(Loss)/Profit attributable to ordinary shareholders		
Net (loss)/profit attributable to ordinary shareholders	2,004	851
Non-controlling interest	-	-
(Loss)/Profit after income tax attributable to the owners of Keybridge Capital Limited	2,004	851

	No. '000	No. '000
Weighted average number of ordinary shares*		
Weighted average number of ordinary shares for the year to 30 June	158,941	159,370
Basic earnings per share	1.26	0.53
Diluted earnings per share	1.26	0.53

** Does not include 15.00 million (2015: 19.116 million) employee share plan shares not quoted.*

As at 30 June 2016 4,401,000 convertible redeemable promissory notes were excluded from the diluted weighted-average number of ordinary shares calculation (Restated 2015: 4,426,000 refer Note 5).

As at 30 June 2016 15,000,000 employee share options were excluded from the diluted weighted-average number of ordinary shares calculation (2015: 19,116,231).

Basic and diluted profit/(loss) per share – from discontinued operations

Earnings per share from discontinued operations	2016 $'000	Restated 2015 $'000
(Loss)/Profit attributable to ordinary shareholders		
Net (loss)/profit attributable to ordinary shareholders	(4,474)	(132)
Non-controlling interest	226	-
(Loss)/Profit after income tax attributable to the owners of Keybridge Capital Limited	(4,248)	

15. EARNINGS PER SHARE *(continued)*

	No. '000	No. '000
Weighted average number of ordinary shares*		
Weighted average number of ordinary shares for the year to 30 June	158,941	159,370
Basic earnings per share	(2.67)	(0.08)
Diluted earnings per share	(2.67)	(0.08)

** Does not include 15.00 million (2015: 19.116 million) employee share plan shares not quoted.*

As at 30 June 2016 4,401,000 convertible redeemable promissory notes were excluded from the diluted weighted-average number of ordinary shares calculation (Restated 2015: 4,426,000 refer Note 5).

As at 30 June 2016 15,000,000 employee share options were excluded from the diluted weighted-average number of ordinary shares calculation (2015: 19,116,231).

Basic and diluted profit/(loss) per share – from (loss)/ profit for the period

Earnings per share from (loss)/ profit for the period		
	2016 $'000	Restated 2015 $'000
(Loss)/Profit attributable to ordinary shareholders		
Net (loss)/profit attributable to ordinary shareholders	(2,470)	(132)
Non-controlling interest	226	-
(Loss)/Profit after income tax attributable to the owners of Keybridge Capital Limited	(2,244)	

	No. '000	No. '000
Weighted average number of ordinary shares*		
Weighted average number of ordinary shares for the year to 30 June	158,941	159,370
Basic earnings per share	(1.41)	0.45
Diluted earnings per share	(1.41)	0.45

** Does not include 15.00 million (2015: 19.116 million) employee share plan shares not quoted.*

As at 30 June 2016 4,401,000 convertible redeemable promissory notes were excluded from the diluted weighted-average number of ordinary shares calculation (Restated 2015: 4,426,000 refer Note 5).

As at 30 June 2016 15,000,000 employee share options were excluded from the diluted weighted-average number of ordinary shares calculation (2015: 19,116,231).

16. ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS

Investment in new business

On 1 July 2015, Keybridge acquired a 70% interest in start-up business Ledcom International S.r.l (Ledcom). Ledcom is engaged in the lighting control gear market for street lights, to provide energy savings to government bodies.

In the period 1 July 2015 to the date of sale on 1 June 2016, Ledcom contributed revenue of nil and losses of $0.752 million to the Group's results.

Consideration transferred

	$'000
Cash	373
Deferred settlement	498
	871

The consideration was a capital injection to commence the business. The investment agreement required Keybridge to pay the deferred settlement over six instalments on request. These payments were subject to various defined expenditure milestones.

16. ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS *(continued)*

Identifiable assets acquired and liabilities assumed

As Ledcom was a newly created company there were no assets or liabilities acquired.

Acquisition of subsidiary Aurora Funds Management Limited (AFML)

On 27 March 2015, the Group acquired 100% of the shares and voting interests of Aurora Funds Management Limited (AFML). As a result, the Group's equity interest in AFML increased from 0% to 100% and Keybridge obtained control of AFML as at 27 March 2015. The primary reason for the acquisition of AFML was to enable Keybridge to develop its funds management capabilities.
In the period 1 April 2015 to 30 June 2015, AFML made a loss of $ 0.132 million. This is included in the loss from discontinued operations for the 2015 financial year.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred for AFML:

	Note	2016 $'000	2015 $'000
Cash (net of acquisition costs)		–	5,365
Contingent consideration		–	800
		–	6,165

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date for AFML:

	2016 $'000	2015 $'000
Cash and cash equivalents	–	3,502
Trade and other receivables	–	787
Other current assets	–	88
Property, plant and equipment	–	42
Goodwill and other intangible assets	–	–
Trade and other payables	–	(1,030)
Borrowings	–	(1,021)
Total identifiable net assets	–	2,368

Goodwill

Goodwill arising from the acquisition of AFML has been recognised as follows:

	Restated 2015 $'000	Originally stated 2015 $'000
Total consideration transferred	6,165	6,165
Fair value of identifiable assets	(4,419)	(4,419)
Fair value of identifiable liabilities	2,051	2,051
Intangibles recognised	(3,797)	–
Deferred tax liability (DTL)	(1,139)	–
Goodwill*	1,139	3,797

** Goodwill is due to the difference between the net fair value of assets and liabilities acquired and the purchase price paid to the vendor shareholder. Goodwill was recorded as a provisional value at 30 June 2015.*

16. ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS *(continued)*

In terms of the accounting standards (IFRS 3 – Business combinations), an acquirer has a maximum period of 12 months from the date of acquisition to finalise the acquisition accounting treatment for the acquisition. After reviewing the accounting treatment at 30 June 2015 and additional available information and advice, Keybridge has restated the intangibles and the impact on deferred tax to reflect all the information that is known.

As a result of the reclassification of goodwill to intangible there is a requirement to recognise a deferred-tax liability against the intangible. The deferred-tax liability is the expected tax on the benefit from the intangible that has been recognised.

Acquisition-related costs

Acquisition related costs have been included in legal and professional expenses for the year.

Fair values measured

The fair value of the intangible has been measured using a discount cash flow valuation model which considers the present value of expected payment, discounted using a risk adjusted discount rate adjusted for any costs of disposal. The expected payment is determined by considering the possible scenarios of forecast EBITDA, the amount of FUM fees to be paid under each scenario and the probability of each scenario.

The recoverable amount of the intangible is based on the fair value model less cost of disposal model for Aurora. Details regarding the carrying amounts of the intangibles and goodwill are disclosed in Note 15. The following elements are reflected in the calculation of the Aurora intangible asset's valuation:

a. estimate of the future cash flows the entity expects to derive from Aurora, based on a 5 year plus terminal value projection;
b. expectations about possible variations in the amount or timing of those future cash flows;
c. the time value of money, represented by the current market risk-free rate of interest;
d. the price for bearing the uncertainty inherent in the asset; and
e. other factors, such as illiquidity, that market participants would reflect in pricing the future cash flows the entity expects to derive from Aurora.

The following assumptions have been used in preparing the valuation:

- Valuation date:	31 December 2015
- Discount rate:	11%*
- Long term growth:	3%**
- Tax Rate:	30%
- Selling costs:	2%**
- Projection period:	5 years plus terminal value
- Fair Value hierarchy:	Level 3 Investment

* Based on the risk free rate plus a margin that a large financial institution has used to price a bond issue. This total ~ 7.5%. Keybridge believes that based on the following factors below a reasonable rate would be 11%:

- Size of Keybridge;
- Liquidity in the market;
- Security provided;
- Marketability of the debt; and
- Risk profile of Keybridge.

*** Estimation based on past experience and industry norms.*

A sensitivity analysis was undertaken to determine the impact of a change in FUM on the fair value. A 10% increase in FUM resulted in a $1.35 million increase in the fair value of the intangibles. A 10% decrease in FUM resulted in a $1.35 million decrease in the fair value of the intangibles.

Prior to the sale of Aurora on 30 June 2016, a fair value calculation was not prepared. All losses were recognised at the date of sale – refer Note 17.

17. DISCONTINUED OPERATIONS

Ledcom International S.r.l

On 1 June 2016, Keybridge sold its interest in Ledcom International S.r.l (Ledcom) to the remaining shareholders. With the sale of the investment, Keybridge no longer had shareholding of Ledcom and was not required to consolidate the results of Ledcom from the date of the sale. This resulted in eliminating Ledcom's assets and Liabilities from the Group's results as at 30 June 2016.

Results of discontinued operation (Ledcom)

	2016 $'000	2015 $'000
Revenue	13	–
Expenses	(876)	–
Results from operating activities	(863)	–
Income tax expense	(111)	–
Results from operating activities, net of tax	(752)	–
Loss on sale of discontinued operation	(122)	–
Loss for the period	(874)	–
Non-controlling interest	226	
Loss attributable to the owners of Keybridge Capital Limited	(648)	
Basic (loss) per share (cents)	(0.55)	–
Basic (loss) per share (cents) attributable to owners of Keybridge Capital Limited	(0.41)	
Diluted (loss) per share (cents)	(0.55)	–
Diluted (loss) per share (cents) attributable to owners of Keybridge Capital Limited	(0.41)	–

Cash flow of discontinued operation (Ledcom)

	2016 $'000	2015 $'000
Net cash used in operating activities	(719)	–
Net cash from investing activities	–	–
Net cash from financing activities	–	–
Effect on cash flows	(719)	-

17. DISCONTINUED OPERATIONS *(continued)*

Aurora Funds Management Limited

On 30 June 2016, Keybridge sold its shares held in Aurora Funds Management Limited (Aurora) to a third-party. With the sale of the shares, Keybridge no longer controlled Aurora and was not required to consolidate the results of Aurora from the date of the sale. This resulted in eliminating Aurora's assets and liabilities from the Group's results as at 30 June 2016.

Results of discontinued operation (Aurora)

	2016 $'000	Restated 2015 $'000
Revenue	2,320	563
Expenses	(4,455)	(695)
Results from operating activities	(2,135)	(132)
Income tax expense	–	–
Results from operating activities, net of tax	(2,135)	(132)
Loss on sale of discontinued operation**	(1,465)	–
Loss for the period	(3,600)	(132)
Basic (loss) per share (cents)	(2.26)	(0.08)
Diluted (loss) per share (cents)	(2.26)	(0.08)

*** No fair value adjustment was done prior to the sale of AFML. The entire loss has been recognised at the date of sale.*

Cash flow of discontinued operation (Aurora)

	2016 $'000	2015 $'000
Net cash used in operating activities	(1,617)	(405)
Net cash from investing activities	913	(10)
Net cash from financing activities	–	–
Effect on cash flows	(704)	(415)

Prior year's discontinued operation

On 1 July 2014, Keybridge sold all shares it held in Australian Finance Direct (100% Keybridge subsidiary). Australian Finance Direct was acquired in March 2014 and was not previously classified as held-for-sale or as a discontinued operation.

There was no revenue or expenses during the current period and no cash flows.

	2016 $'000	2015 $'000
Effect of disposal on the financial position of the Group	–	–
Cash and cash equivalents	–	(53)
Trade and other receivables	–	(47)
Goodwill	–	(25)
Total identifiable net assets	–	(125)
Consideration received, satisfied in cash	–	125
Cash and cash equivalents disposed of	–	–
Net cash inflow/(outflow)	–	–