

Wakenby Limited

WAKENBY LIMITED
(formerly ILH Group Limited)
(Subject to Deed of Company Arrangement)

Financial Report
For the half year ended 31 December 2015

ACN 120 394 194
(ASX:WAK)

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Wakenby Limited (formerly ILH Group Limited) (subject to deed of
Company Arrangement)
Period Ended 31 December 2015

Corporate Information

ABN 20 120 394 194

Directors

Allan Farrar
Benjamin Harkham
Kenneth Carr
Aron Harkham

Company Secretary

Elizabeth Hunt

Registered Office

Suite 201, Level 2, 60 York Street
Sydney, NSW 2000

Share Register

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, WA 6153
Tel: (08) 9315 2333

Bankers

St George Bank
Level 2, Westralia Plaza
167 St Georges Terrace
Perth WA 6000

National Australia Bank Limited
100 St Georges Terrace
Perth WA 6000

Auditor

Stantons International Audit and Consulting Pty Ltd
Level 2,1 Walker Avenue
West Perth WA 6005

Wakenby Limited (formerly ILH Group Limited) (subject to deed of Company Arrangement)
Period Ended 31 December 2015

DIRECTORS' REPORT

The directors of Wakenby Limited (formerly ILH Group Limited) (Subject to deed of Company Arrangement) (the Company) submit the financial report for the half-year ended 31 December 2015.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. The Directors were in office for this entire period unless otherwise stated.

| | | |
|------------------|---|------------------------|
| Benjamin Harkham | | - Appointed 8/04/2016 |
| Allan Farrar | | - Appointed 8/04/2016 |
| Gideon Harkham | (Alternate Director) - Appointed 8/04/2016, Resigned 24/06/2016 | |
| Kenneth Carr | (Non-executive Director) | - Appointed 17/06/2016 |
| Aron Harkham | (Executive Director) | - Appointed 24/06/2016 |
| David French | (Managing Director) | - Resigned 8/04/2016 |
| Matthew Driscoll | (Non-executive Chairman) | - Resigned 04/09/2015 |
| Owen Evans | (Non-executive Director) | - Resigned 08/04/2016 |

Operating and financial review

The Group incurred a loss of (\$527,403) (31 Dec 2014: loss (\$28,877,821)) for the half year ended 31 December 2015.

The Company was suspended from trading on the ASX on 12 December 2014 at its request and on 17 December Michael Brereton and Cliff Rocke was appointed as the Administrators of the Group and assumed control of the Group and their business, property and affairs.

The Administrators' strategy was designed around the precarious situation and the need to maximise the proceeds from asset sales, and to minimise ongoing costs so as to obtain the highest return possible for creditors.

As the Deed of Company Arrangement with Pager Partners was not completed as per the ASX announcement on 20 August 2015, a new proposal from Benelong Capital Partners Pty Ltd for restructure was submitted on 8 December 2015. The Creditors of the Company agreed to the Benelong Recapitalisation and the amended Deed of Company Arrangement was entered into on 2 March 2016.

Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Group since it entered into voluntary administration on 17 December 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Group.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of
Company Arrangement)
Period Ended 31 December 2015

Directors' Report (continued)

Significant events after the balance date

On the 1 April 2015, the Creditors resolved that the Company execute a Deed of Company Arrangement. On the 22 April 2015, the Company, the Deed Administrators and Pager Partners entered in to a DOCA. On the 2 March 2016 the creditors resolved to vary the terms of the DOCA as proposed by Benelong Capital Partners Pty Limited.

At a general meeting held on 8 April 2016, the shareholders of the Company resolved to:

- Consolidate the capital on a 1:19 basis;
- Authorise allotment and issue of 15,132,151 fully paid shares (post consolidation) to Benelong Capital Partners Pty Limited at an issue price of \$0.00006608445 to raise \$1,000
- Authorise allotment and issue of 450,000,000 fully paid shares (post consolidation) to BGA Capital Pty Limited at an issue price of \$0.001 to raise \$450,000
- Authorise allotment and issue of 100,000,000 fully performance based options (post consolidation) to BGA Capital Pty Limited at an issue price of \$0.000001 to raise \$1,000
- Remove David French and Owen Evens as directors
- Remove Reena Minhas as Company Secretary
- Elect Benjamin Harkham, Gideon Harkham and Allan Farrar as directors
- Change the company name to Wakenby Limited

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration in relation to the review for the half-year is provided on page 19 and forms part of this report.

Signed in accordance with a resolution of directors



Allan Farrar
Director



Benjamin Harkham
Director

Sydney, 11 July 2016

Wakenby Limited (formerly ILH Group Limited) (subject to deed of
Company Arrangement)
Period Ended 31 December 2015

Consolidated Statement of Financial Position

| | Note | Consolidated As at 31 Dec 2015 | Consolidated As at 30 Jun 2015 |
|---------------------------------------|------|--------------------------------------|--------------------------------------|
| ASSETS | | \$ | \$ |
| Current assets | | | |
| Cash and cash equivalents | 5 | 629,700 | 1,003,462 |
| Total current assets | | 629,700 | 1,003,462 |
| Non-current assets | | | |
| Goodwill | 6 | - | - |
| Intangible assets | 7 | - | - |
| Total non-current assets | | - | - |
| TOTAL ASSETS | | 629,700 | - |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 662,150 | 820,672 |
| Interest bearing loans and borrowings | 9 | 12,250,497 | 11,938,334 |
| Total current liabilities | | 12,912,647 | 12,759,006 |
| TOTAL LIABILITIES | | 12,912,647 | 12,759,006 |
| NET ASSETS | | (12,282,947) | (11,755,544) |
| Equity | | | |
| Issued Capital | 10 | 41,415,857 | 41,415,857 |
| Accumulated losses | | (53,698,804) | (53,171,401) |
| TOTAL EQUITY | | (12,282,947) | (11,755,544) |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of
Company Arrangement)
Period Ended 31 December 2015

**Consolidated Statement of Profit or loss and other Comprehensive
Income**

| | Note | Consolidated For the half year ended 31 Dec 2015 | Consolidated For the half year ended 31 Dec 2014 |
|---|------|---|---|
| | | \$ | \$ |
| Professional fees revenue | | - | 12,852,019 |
| Total Revenue | | - | 12,852,019 |
| Movement in fair value | | - | 78,763 |
| Interest Income | | 7,654 | 22,207 |
| Other Income | 4 | 378,842 | 406 |
| Total Other income | | 386,496 | 101,376 |
| Occupancy expenses | | - | (1,126,307) |
| Salaries and employee benefit expenses | | - | (9,089,016) |
| Depreciation and amortisation expenses | | - | (248,160) |
| Office Expenses | | (600,000) | (1,682,587) |
| Advertising and marketing expenses | | - | (148,020) |
| Other expenses | | (1,736) | (5,020,054) |
| Net loss on disposal of subsidiaries | | - | (1,845,553) |
| Interest expenses | | (312,163) | (634,827) |
| Total expenses | | (913,899) | (19,794,524) |
| (Loss) before income tax | | (527,403) | (6,841,129) |
| Income tax benefit (expense) | | - | (11,175) |
| (Loss) after income tax before impairments | | (527,403) | (6,852,304) |
| Impairment expense | | | |
| Impairment expense – Work in progress | | - | (2,149,489) |
| Impairment expense – Dividends Receivable | | - | (112,513) |
| Impairment expense – Investment in Associate | | - | (2,811,044) |
| Impairment expense – Deferred Tax Assets | | - | (1,564,453) |
| Impairment expense – Goodwill | 6 | - | (14,553,221) |
| Impairment expense – Plant and Equipment | | - | (609,797) |
| Impairment expense – Intangibles | 7 | - | (225,000) |
| Net (loss) for the period after impairments | | (527,403) | (28,877,821) |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently into profit or loss: | | | |
| Items that cannot be reclassified subsequently to Profit or Loss | | | |
| Other comprehensive income for the period net of tax | | - | - |
| Total comprehensive (loss) for the period | | (527,403) | (28,877,821) |
| Basic (loss) per share (cents) | | (0.00) | (0.15) |
| Diluted (loss) per share (cents) | | (0.00) | (0.15) |

The above Consolidated Statement of Profit or loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of
Company Arrangement)
Period Ended 31 December 2015

Consolidated Statement of Cash Flows

| | Note | Consolidated For the half year ended 31 Dec 2015 | Consolidated For the half year ended 31 Dec 2014 |
|---|------|---|---|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers | | 378,842 | 20,459,577 |
| Payments to suppliers and employees | | (760,088) | (17,938,194) |
| Interest received | | 7,654 | 22,207 |
| Sundry Income | | - | 406 |
| Interest and other costs of finance paid | | (170) | (159,318) |
| Income tax paid | | - | (78,640) |
| Net cash flows (used in) / from operating activities | | (373,762) | 2,306,038 |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | | - | (97,207) |
| Payment of intangible assets | | - | (41,085) |
| Payment for the acquisition of businesses | | - | (1,993,536) |
| Net cash flows (used in) / from investing activities | | - | (2,131,828) |
| Cash flows from financing activities | | | |
| Payment for share issue expenses | | - | (1,614) |
| Proceeds from borrowings | | - | (287,020) |
| Repayments of borrowings | | - | (531,393) |
| Net cash flows (used in) / from financing activities | | - | (820,027) |
| Net increase in cash held | | (373,762) | (645,817) |
| Cash and cash equivalents at the beginning of the Period* | | 1,003,462 | (550,588) |
| Cash and cash equivalents at the end of the period | 5 | 629,700 | (1,196,405) |

*Reconciliation of cash and cash equivalents at the beginning of the period can found at Note 5.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of
Company Arrangement)
Period Ended 31 December 2015

Consolidated Statement of Changes in Equity

| CONSOLIDATED | Contributed Equity \$ | Accumulated Losses \$ | Net Unrealised Gains/(Losses) Reserve \$ | General Reserve \$ | Total Equity \$ |
|---|--------------------------|-----------------------------|--|--------------------------|---------------------|
| At 1 July 2015 | 41,415,857 | (53,171,401) | - | - | (11,755,544) |
| (Loss) for the Period | - | (527,403) | - | - | (527,403) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive (loss) for the period | - | (527,403) | - | - | (527,403) |
| Transactions with owners in their capacity as owners | | | | | |
| Shares issued | - | - | - | - | - |
| Share-based payments | - | - | - | - | - |
| Transaction costs on share issue | - | - | - | - | - |
| Balance as at 31 December 2015 | 41,415,857 | (53,698,804) | - | - | (12,282,947) |

| CONSOLIDATED | Contributed Equity \$ | Accumulated Losses \$ | Net Unrealised Gains/(Losses) Reserve \$ | General Reserve \$ | Total Equity \$ |
|---|--------------------------|-----------------------------|--|--------------------------|---------------------|
| At 1 July 2014 | 38,862,375 | (26,323,477) | 1,610 | 2,046,791 | 14,587,299 |
| (Loss) for the Period | - | (28,877,821) | - | - | (28,877,821) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive (loss) for the period | - | (28,877,821) | - | - | (28,877,821) |
| Transactions with owners in their capacity as owners | | | | | |
| Transfer of reserves to accumulated losses | - | 2,048,401 | (1,610) | (2,046,791) | - |
| Shares issued | 2,553,482 | - | - | - | 2,553,482 |
| Share-based payments | - | - | - | - | - |
| Transaction costs on share issue | - | - | - | - | - |
| Balance as at 31 December 2014 | 41,415,857 | (53,152,897) | - | - | (11,737,040) |

The above Consolidated Statement of Changes in Equity should read in conjunction with the accompanying notes.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of Company Arrangement)
Period Ended 31 December 2015

Condensed Notes to the Consolidated Financial Statements

1) CORPORATE INFORMATION

The interim financial report of ILH Group Limited and its controlled entities for the half year ended 31 December 2015 was authorised for issue at the date of the director's report.

2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

a) Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2015 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2015 and considered together with any public announcements made by ILH Group Limited and its controlled entities (the Group) during the half-year ended 31 December 2015 in accordance with the continuous disclosure obligations under the ASX Listing Rules.

The half-year financial report is prepared in Australian dollars and on a historical cost basis, except for available-for-sale investments, which have been measured in fair value.

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

Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Group since it entered into voluntary administration on 17 December 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Group.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position.

New and Revised Accounting Requirements Applicable to the Current Half Year Reporting Period

There are no new or revised accounting standard requirements that became mandatory for the first time for the half year period ended 31 December 2015 that are applicable to the Company.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of Company Arrangement)

Period Ended 31 December 2015

Condensed Notes to the Consolidated Financial Statements

BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Going Concern

The Company was suspended from trading on ASX on 12 December 2014 at its request. On 17 December 2014, Michael Brereton, and Cliff Rocke of Korda Mentha were appointed as Voluntary Administrators of the Company and assumed control of the Company and its business, property and affairs.

As at 31 December 2015 there was a significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business.

The financial report contains adjustments relating to the recoverability and classification of recorded assets to the amounts or classification of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

Significant accounting policies

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements.

b) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Wakenby Limited and its subsidiaries as at 31 December 2015.

Subsidiaries are those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses profit and losses resulting from intra-group transactions have been estimated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

c) Inventories

Inventories are valued at the lower cost or net realisable value.

Inventories relate to the costs that are directly attributable to specific mandates undertaken by the Corporate Advisory business and which are billable under success fee arrangements. These costs consist primarily of the labour and other costs of personnel directly engaged in providing the service, including supervisory personnel, and attributable overheads. Labour and other costs relating to sales and general administrative personnel are not included but are recognised as expenses in the period in which they incurred. The cost of inventories of a service provider does not include profit margins or non-attributable overheads that are often factored into prices charged by service providers.

Net realisable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and the estimated costs necessary to make the sale.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of Company Arrangement)

Period Ended 31 December 2015

Condensed Notes to the Consolidated Financial Statements

3) SEGMENT INFORMATION

Operating segments

Wakenby Limited is identified its operating segments base on the internal management reporting that is used by the executive management team (the chief operating decision maker) in assessing performance and allocating resources.

Wakenby Limited's operating segments have been identified based on how the financial and operating results of the Group are monitored and presented internally to the executive management team. The reportable segments are based on aggregated operating segments determined by the similarity of the products sold and the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return.

A subsidiary, Capricorn Investment Partners Limited was disposed of during the previous financial reporting period. As of 1 July 2015 all of the Group's operations are within the legal services sector.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of Company Arrangement)

Period Ended 31 December 2015

Condensed Notes to the Consolidated Financial Statements

3) SEGMENT INFORMATION (continued)

Operating segments (continued)

| Half-year ended 31 December 2015 | Legal \$ | Corporate Advisory and Wealth Management \$ | Total segments \$ | Adjustments and eliminations \$ | Consolidated \$ |
|---------------------------------------|------------------|---|-------------------------|--|--------------------|
| Revenue and other income | 386,496 | - | 386,496 | - | 386,496 |
| External customers | - | - | - | - | - |
| Inter-segment | - | - | - | - | - |
| Total revenue and other income | 386,496 | - | 386,496 | - | 386,496 |
| Results | | | | | |
| Total profit/(loss) before tax | (527,403) | - | (527,403) | - | (527,403) |

| Half-year ended 31 December 2014 | Legal \$ | Corporate Advisory and Wealth Management \$ | Total segments \$ | Adjustments and eliminations \$ | Consolidated \$ |
|---------------------------------------|-------------------|---|-------------------------|--|---------------------|
| Revenue and other income | | | | | |
| External customers | 11,426,951 | 1,869,165 | 13,296,116 | (342,721) | 12,953,395 |
| Inter-segment | 39,389 | - | 39,389 | (39,389) | - |
| Total revenue and other income | 11,466,340 | 1,869,165 | 13,335,505 | (382,110) | 12,953,395 |
| Results | | | | | |
| Total profit/(loss) before tax | 60,621 | 315,782 | 376,403 | (29,254,224) | (28,877,821) |

4) OTHER INCOME

| | Consolidated Half-year Ended 31 Dec 2015 \$ | Consolidated Half-year Ended 31 Dec 2014 \$ |
|---------------------------------------|---|---|
| Sundry income | - | 406 |
| Debtors recovered previously impaired | 378,842 | - |

5) CASH AND CASH EQUIVALENTS

| | Consolidated Half-year Ended 31 Dec 2015 \$ | Consolidated year Ended 30 June 2015 \$ |
|--------------------------|---|---|
| Cash at bank and in hand | 629,700 | 1,003,462 |

Wakenby Limited (formerly ILH Group Limited) (subject to deed of Company Arrangement)

Period Ended 31 December 2015

Condensed Notes to the Consolidated Financial Statements

| | Consolidated Half-year Ended 31 Dec 2015 \$ | Consolidated year Ended 30 June 2015 \$ |
|---|---|---|
| Reconciliation to statement of cash flows | | |
| For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 31 December: | | |
| Cash at bank and in hand | - | 1,003,462 |
| | - | 1,003,462 |

6) GOODWILL

| | Consolidated At 31 Dec 2015 \$ | Consolidated At 30 June 2015 \$ |
|--------------------------|---|--|
| Opening Balance | - | 22,183,651 |
| Disposal of subsidiaries | - | (7,633,430) |
| Discontinued operations | - | - |
| Impairment | - | (14,550,221) |
| Closing balance | - | - |

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment. At the 30 June 2015 the group's goodwill was fully impaired.

7) INTANGIBLE ASSETS

a) Reconciliation of carrying amounts at the beginning and end of the period.

| | Consolidated 31 Dec 2015 \$ | Consolidated 30 Jun 2015 \$ |
|--|-----------------------------------|-----------------------------------|
| Opening Balance (net of accumulated amortisation) | - | 972,527 |
| Amortisation | - | (100,220) |
| Impairment and disposal | - | (225,000) |
| Disposal of Assets | - | (647,307) |
| Closing balance (net of accumulated amortisation) | - | - |

b) Description of the Group's identified intangible assets

Intangible assets represent costs associated with the development and design of the Law Central website from 2012 to 2014 financial years. At the 31 December 2015 the group's unamortised Intangibles were fully impaired.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of Company Arrangement)
Period Ended 31 December 2015

Condensed Notes to the Consolidated Financial Statements

8) TRADE AND OTHER PAYABLES

| | Consolidated Half-year Ended 31 Dec 2015 \$ | Consolidated year Ended 30 June 2015 \$ |
|--------------------------|---|---|
| Trade and Other Payables | 662,150 | 820,672 |
| | 662,150 | 820,672 |

9) INTEREST BEARING LOANS AND BORROWINGS

| | Consolidated Half-year Ended 31 Dec 2015 \$ | Consolidated year Ended 30 June 2015 \$ |
|--|---|--|
| CURRENT | | |
| Obligations under finance leases and hire purchase contracts | 38,333 | 38,333 |
| Bank Loan (secured)(a) | 12,212,164 | 11,900,001 |
| | 12,250,497 | 11,938,334 |

(a) Due to the group entering administration on the 17 December 2014 all secured liabilities became due and payable and therefore are classified as current.

The bank loan is secured over the assets of ILH Group Limited and its controlled entities.

10) ISSUED CAPITAL

a) Ordinary shares

| | Consolidated 31 Dec 2015 Shares | Consolidated 30 Jun 2015 Shares | Consolidated 31 Dec 2015 \$ | Consolidated 30 Jun 2015 \$ |
|-------------------|---------------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|
| Fully Paid Shares | 258,233,800 | 258,233,800 | 41,415,857 | 41,415,857 |
| | 258,233,800 | 258,233,800 | 41,415,857 | 41,415,857 |

11) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

On 17 December 2014 the Company was placed into voluntary administration, consequently the Company does not have sufficient information to allow the level of disclosure required for the half year ended 31 December 2015.

Wakenby Limited (formerly ILH Group Limited) (subject to deed of Company Arrangement)
Period Ended 31 December 2015

Condensed Notes to the Consolidated Financial Statements

11) SUBSEQUENT EVENTS

On the 1 April 2015, the Creditors resolved that the Company execute a Deed of Company Arrangement. On the 22 April 2015, the Company, the Deed Administrators and Pager Partners entered in to a DOCA. On the 2 March 2016 the creditors resolved to vary the terms of the DOCA as proposed by Benelong Capital Partners Pty Limited.

At a general meeting held on 8 April 2016, the shareholders of the Company resolved to:

- Consolidate the capital on a 1:19 basis;
- Authorise allotment and issue of 15,132,151 fully paid shares (post consolidation) to Benelong Capital Partners Pty Limited at an issue price of \$0.00006608445 to raise \$1,000
- Authorise allotment and issue of 450,000,000 fully paid shares (post consolidation) to BGA Capital Pty Limited at an issue price of \$0.001 to raise \$450,000
- Authorise allotment and issue of 100,000,000 fully performance based options (post consolidation) to BGA Capital Pty Limited at an issue price of \$0.000001 to raise \$1,000
- Remove David French and Owen Evens as directors
- Remove Reena Minhas as Company Secretary
- Elect Benjamin Harkham, Gideon Harkham and Allan Farrar as directors
- Change the company name to Wakenby Limited

Wakenby Limited (formerly ILH Group Limited) (subject to deed of
Company Arrangement)
Period Ended 31 December 2015

Directors' Declaration

In accordance with a resolution of the directors of ILH group Limited, I state that:

1. In the opinion of the directors:

- a) As set out in Note 2, although the Directors have prepared the consolidated financial statements, notes thereto, to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that the consolidated financial statements, notes thereto, 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 performance for the half year ended on that date ; and
 - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2, and
- c) Subject to the successful recapitalisation of the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

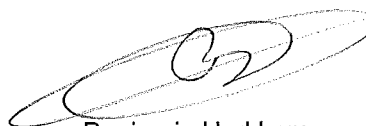
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the half year ended 31 December 2015.

On behalf of the board



Allan Farrar

Director



Benjamin Harkham

Director

Sydney, 11 July 2016

13 July 2016

Board of Directors
Suite 201, Level 2
60 York St,
Sydney, NSW 2000

Dear Sirs

RE: Wakenby Limited (Subject to deed of Company Arrangement)

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Wakenby Limited (Subject to deed of Company Arrangement).

As Audit Director for the review of the financial statements of Wakenby Limited (Subject to deed of Company Arrangement) 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 faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
WAKENBY LIMITED (Subject to deed of Company Arrangement)**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Wakenby Limited (Subject to deed of Company Arrangement), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for Wakenby Limited (the consolidated entity) (Subject to deed of Company Arrangement). The consolidated entity comprises both Wakenby Limited (the Company) (Subject to deed of Company Arrangement) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Wakenby Limited (Subject to deed of Company Arrangement) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 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 Wakenby Limited (Subject to deed of Company Arrangement), 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Wakenby Limited (Subject to deed of Company Arrangement) on 13 July 2016.

Basis for Disclaimer of Auditor's Review Conclusion

The company was placed into voluntary administration on 17 December 2014. Consequently, the financial information relating to the period under review was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

As stated in Note 2, the Directors are unable to state that the financial report is in accordance with all the requirements of the *Corporations Act 2001* and the Australian Accounting Standards.

Disclaimer of Auditor's Review Conclusion

Based on our review, which is not an audit, and because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Review Conclusion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, a conclusion as to whether the financial report of Wakenby Limited (Subject to deed of Company Arrangement) is in accordance with the *Corporations Act 2001*, including:

- (i) 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
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

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Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
13 July 2016