



**intelliHR Holdings Limited**

**ABN 38 600 548 516**

**ASX APPENDIX 4D and  
HALF-YEAR FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED  
31 DECEMBER 2017**

**INTELLIHR HOLDINGS LIMITED (ASX: IHR)**  
**ASX APPENDIX 4D – RESULTS FOR ANNOUNCEMENT TO THE MARKET**  
**For the half-year ended 31 December 2017**

			<b>6 months 31 Dec 2017</b>	6 months 31 Dec 2016
			<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	Revenue increased	360%	<b>151,406</b>	32,881
Profit / (loss) from ordinary activities after tax attributable to members	Loss increased	168%	<b>(2,100,755)</b>	(783,784)
Net profit for the period attributable to members	Loss increased	168%	<b>(2,100,755)</b>	(783,784)

**Dividends**

No final dividend was paid in relation to the year ended 30 June 2017.

No interim dividend will be paid in relation to the half-year ended 31 December 2017.

**Net Tangible Assets**

	<b>31 Dec 2017</b>	31 Dec 2016
	<b>\$</b>	<b>\$</b>
Net tangible asset backing per ordinary share	<b>0.03</b>	0.01

**Review of Results**

Refer to the Review of Operations and Results included in the Directors' Report.

## **DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

Your directors present their report on intelliHR Holdings Limited (referred to hereafter as the 'consolidated entity') for the half-year ended 31 December 2017.

### **DIRECTORS**

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

Greg Baynton  
Anthony Bellas  
Robert Bromage  
Jamie Duffield  
Jeremy Fong

### **PRINCIPAL ACTIVITIES**

The principal activities of the company during the half-year were the development of an innovative, cloud-based people management platform.

No significant change in the nature of these activities occurred during the half-year.

### **REVIEW OF OPERATIONS**

The loss for the consolidated entity after providing for income tax amounted to \$2,100,755 (2016: \$783,784).

Funding intelliHR's expansion strategy has been a significant focus by the board and a subsequent business milestone achievement in this half.

intelliHR successfully completed two oversubscribed capital raising events being an October 2017 pre-IPO and December IPO receiving a total of \$8.5 million in funds (less costs). The success of the raisings has put us in a very strong position as we head into the new year as a listed public company trading on the ASX from the 23<sup>rd</sup> of January 2018. intelliHR has enjoyed the exposure achieved through the IPO reaching new heights of customer enquiry and our sales and customer teams are now working hard to leverage this.

intelliHR has continued to build the necessary people and process capability to execute a high growth business strategy. The sales, marketing and customer success teams were grown from 5 to 12 full time resources with a healthy balance to ensure customer fulfillment is executed to maintain our 100% customer retention success. With a total team of 28, the balance is focussed on software engineering all based in our local Brisbane Head office.

Our technology continued to advance at a rapid pace and a key platform addition during this period included our first introduction of Artificial Intelligence to customers in the form of natural language processing tools, sentiment and keyword analysis. These tools are providing customers powerful capabilities to leverage their data in new ways helping to identify risks and opportunities. A mandatory qualification compliance feature was also released aimed at supporting a range of industries including Education, Professional Services and Not for Profits.

## **DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (continued)**

With the intensity of the IPO now behind us, intelliHR is focused on executing its growth strategy through the lens of Disruption, Customer Centricity and Scale opportunities. Starting 2018 with 19 customers, we are pleased with our progress and have positioned ourselves well for a very exciting year of growth ahead.

### **SUBSEQUENT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

Since 31 December 2017, the Group has:

- (a) Converted 18,337,744 Class A shares to 18,337,744 ordinary shares on the admission of the Company to the official list of the ASX
- (b) Issued 15,000,000 ordinary shares at \$0.30 each, under the prospectus for the initial public offering of the Company, to raise \$4,500,000.
- (c) Issued 384,000 options to employees under the employee share option plan. Options are exercisable at \$0.32 each and expire on 14 February 2023. The options vest in 13 tranches after a cliff, on a quarterly basis, over a period of four years.

No other matters or circumstances has arisen since 31 December 2017 that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

During the half-year period intelliHR was admitted to the official list of the ASX (ASX: IHR) and commenced trading on Tuesday 23 January 2018.

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

### **AUDITOR'S INDEPENDENCE DECLARATION**

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

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

A handwritten signature in black ink, appearing to read "Tony Bellas".

**Tony Bellas**  
**Chairman**

**28 February 2018**  
**Brisbane**

**DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF INTELLIHR HOLDINGS LIMITED**

As lead auditor for the review of IntelliHR Holdings Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



**R M Swaby**  
Director

**BDO Audit Pty Ltd**

Brisbane, 28 February 2018

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### General information

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

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

#### Registered office

c/- McCullough Robertson  
Central Plaza Two  
Level 11, 66 Eagle Street  
Brisbane QLD 4000

#### Principal place of business

Level 32, 12 Creek Street  
Brisbane QLD 4000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2018.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	Consolidated	
		2017	2016
		\$	\$
<b>Revenue</b>			
Revenue from continuing operations		82,721	32,679
Other revenue		68,685	202
		<u>151,406</u>	<u>32,881</u>
<b>Expenses</b>			
Employee benefits expense		611,631	305,248
Directors remuneration		250,944	43,083
Depreciation and amortisation expense		383,628	221,756
Marketing expense		337,578	145,118
Listing costs expensed		175,561	-
General and administrative expenses		492,819	101,460
<b>Loss before income tax</b>		<u>(2,100,755)</u>	<u>(783,784)</u>
Income tax benefit		-	-
<b>Loss for the period</b>		<u>(2,100,755)</u>	<u>(783,784)</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>(2,100,755)</u>	<u>(783,784)</u>
Loss attributable to members of the entity		<u>(2,100,755)</u>	<u>(783,784)</u>
Total comprehensive income attributable to members of the entity		<u>(2,100,755)</u>	<u>(783,784)</u>
<b>Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:</b>		Cents	Cents
Basic earnings per share		(2.89)	(1.57)
Diluted earnings per share		(2.89)	(1.57)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

		Consolidated	
	Note	31 December 2017 \$	30 June 2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents		5,372,945	1,011,542
Investments		2,000,000	-
Trade and other receivables		88,779	37,452
Other assets		53,688	51,206
TOTAL CURRENT ASSETS		7,515,412	1,100,200
NON-CURRENT ASSETS			
Plant and equipment		76,675	54,920
Intangible assets		1,515,730	1,480,602
TOTAL NON-CURRENT ASSETS		1,592,405	1,535,522
TOTAL ASSETS		9,107,817	2,635,722
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	5	4,327,161	228,894
Provisions		181,669	112,436
TOTAL CURRENT LIABILITIES		4,508,830	341,330
NON-CURRENT LIABILITIES			
Provisions		17,750	9,968
TOTAL NON-CURRENT LIABILITIES		17,750	9,968
TOTAL LIABILITIES		4,526,580	351,298
NET ASSETS		4,581,237	2,284,424
<b>EQUITY</b>			
Issued capital	6	7,647,857	3,751,364
Reserves		1,576,221	1,075,146
Accumulated losses		(4,642,841)	(2,542,086)
TOTAL EQUITY		4,581,237	2,284,424

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



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### Consolidated Group

	Contributed equity \$	Accumulated losses \$	Share based payments reserve \$	Total \$
<b>Balance at 1 July 2016</b>	1,687,168	(267,382)	218,757	1,638,543
Loss for the period	-	(783,784)	-	(783,784)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	(783,784)	-	(783,784)
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	1,886,516	-	-	1,886,516
Share-based payments	-	-	139,463	139,463
<b>Balance at 31 December 2016</b>	<b>3,573,684</b>	<b>(1,051,166)</b>	<b>358,220</b>	<b>2,880,738</b>
<b>Balance at 1 July 2017</b>	3,751,364	(2,542,086)	1,075,146	2,284,424
Loss for the period	-	(2,100,755)	-	(2,100,755)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	(2,100,755)	-	(2,100,755)
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	3,896,493	-	-	3,896,493
Share-based payments	-	-	501,075	501,075
<b>Balance at 31 December 2017</b>	<b>7,647,857</b>	<b>(4,642,841)</b>	<b>1,576,221</b>	<b>4,581,237</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	Half-year	
		2017	2016
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers (GST inclusive)		124,994	30,954
Payments to suppliers and employees (GST inclusive)		(1,350,855)	(395,651)
Interest received		7,274	202
Income taxes paid		-	-
<b>Net cash outflow from operating activities</b>		<b>(1,218,587)</b>	<b>(364,495)</b>
<b>Cash flows from investing activities</b>			
Payments for Development		(617,172)	(332,725)
Research and development tax incentive refund		428,652	327,811
Proceeds from sale of property, plant and equipment		850	-
Payments for property, plant and equipment		(34,110)	-
<b>Net cash outflow from investing activities</b>		<b>(221,780)</b>	<b>(4,914)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issued and prepaid shares, net of expenses		7,801,770	1,886,516
<b>Net cash inflow from financing activities</b>		<b>7,801,770</b>	<b>1,886,516</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>6,361,403</b>	<b>1,517,107</b>
Cash and cash equivalents at the beginning of the year		1,011,542	452,384
<b>Cash and cash equivalents at the end of the year</b>	8	<b>7,372,945</b>	<b>1,969,491</b>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### Note 1 Summary of significant accounting policies

The consolidated half-year financial statements of intelliHR Holdings Limited (the company) as at and for the half-year ended 31 December 2017 comprise the company and its controlled entities (the Group).

The consolidated interim financial report is a general purpose financial report for the half-year ended 31 December 2017, which has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the interim financial report.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the 30 June 2017 financial report and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the half-year financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

No new accounting policies were adopted during the half-year except as follows;

#### *Investments*

Investments are short-term bank deposits which are held for the purpose of meeting short-term cash commitments as per Group cash management.

The fair value of financial assets and liabilities approximate their carrying values due to their short term nature.

#### **Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group achieved a net loss of \$2,100,755 and net operating cash outflows of \$1,218,587 for the period ended 31 December 2017. As at 31 December 2017 the Group has investments or cash and cash equivalents of \$7,372,945 and net current assets of \$3,006,582.

Included in net current assets is \$4,070,331 IPO proceeds not allotted. Excluding this, net current assets is \$7,076,913.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

### **Note 1 Summary of significant accounting policies (continued)**

The ability of the Group to continue as a going concern is principally dependent upon the following conditions;

- The ability of the group to successfully raise capital, as and when necessary; and
- The ability to complete successful development and commercialisation of the Group's software platform.

The Directors believe that the going concern basis of preparation is appropriate due to the proven ability of the Group to raise necessary funding via the issuance of shares as evidenced by the recent pre-IPO and IPO capital raising.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

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

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no material impact on the financial statements by their adoption.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The potential financial impact of these changes is not yet possible to determine.

#### **Critical accounting estimates and Judgements**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### **Note 1 Summary of significant accounting policies (continued)**

#### *Recognition of Development Costs*

For the purpose of measurement, AASB 138 allows costs incurred in the development stage to be capitalised if certain requirements are met, including:

- It is technically feasible that the intangible asset will be completed so that it will be available for use;
- It is the intention to complete the intangible asset and use it;
- It can be demonstrated that it is probable that the intangible asset will generate future economic benefits;
- There are adequate resources to complete the development of the intangible asset;
- The expenditure attributable to the intangible asset during its development can be measured reliably.

As the company meets all of the above requirements, all costs directly attributable and necessary to create, produce and prepare the asset to be capable of operating in the manner intended, have been capitalised.

All costs to maintain the development asset are expensed as incurred.

#### *Share based payment transactions*

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the binomial tree model and Hull White model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions, including share price volatility, interest rates and vesting periods would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### Note 2 Segment information

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis that is the location where revenue is derived.

Management currently identifies the Group as having only one operating segment, being the development of a cloud-based people management platform in Australia. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole.

### Note 3 Profit and loss information

	31 December 2017	31 December 2016
Loss for the half-year includes the following items that are unusual because of their nature, size or incidence:	\$	\$
<b>Expenses</b>		
Share based payments expense	368,765	98,691

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

**Note 4 Non-current assets – Intangible assets**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
<b>Development costs</b>		
Cost	2,514,159	2,112,057
Accumulated amortization	(998,429)	(631,455)
Carrying amount	<u>1,515,730</u>	<u>1,480,602</u>

The Development Costs carried forward above have been determined as follows:

Balance at the beginning of the year	1,480,602
Expenditure incurred during the half-year	769,343
Research and development incentive received	(367,241)
Amortisation charge	<u>(366,974)</u>
Balance at the end of the half-year	<u>1,515,730</u>

Capitalised development costs represent proprietary knowledge developed internally through the construction of the software platform.

Capitalised development costs have finite useful lives and are amortised on a straight-line basis over three years. The current amortisation charge for development costs is included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

**Note 5 Current liabilities – Trade and other payables**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
<b>Unsecured liabilities:</b>		
Trade payables	108,849	64,339
Sundry payables and accrued expenses	147,981	164,555
IPO proceeds not allotted (net of expenses)*	4,070,331	-
	<u>4,327,161</u>	<u>228,894</u>

\* This balance relates to funds received in December from the proceeds of the successful capital raising on 23<sup>rd</sup> January 2018. The funds are made up of \$4,500,000 in prospective share capital and \$429,669 in share issue costs.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### Note 6 Contributed equity

	31 December 2017 Shares	30 June 2017 Shares	31 December 2017 \$	30 June 2017 \$
<b>(a) Share capital</b>				
Ordinary shares				
Fully paid	70,532,852	65,354,580	3,787,330	3,751,364
Class A shares	18,337,744	-	3,860,527	-
			<u>7,647,857</u>	<u>3,751,364</u>

### (b) Ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	\$
1 July 2016	Balance		4,979,858		1,687,168
	Share split 10:1		44,818,722		-
	Placement shares		15,556,000	\$0.135	2,100,060
	Share issue costs		-		(44,427)
30 June 2017	Balance		<u>65,354,580</u>		<u>3,751,364</u>
	Options exercised		2,035,624	\$0.01	20,356
	Options exercised		13,000	\$0.02	260
	Options exercised		78,648	\$0.04	3,146
	Options exercised		3,051,000	\$0.004	12,204
	Share issue costs		-		-
31 December 2017	Balance		<u>70,532,852</u>		<u>3,787,330</u>

### (c) Class A shares

Date	Details	Note	Number of Shares	Issue Price	\$
1 July 2017	Balance		-		-
	Placement shares	(d)	18,337,744	\$0.22	4,034,304
	Share issue costs		-		(173,777)
31 December 2017	Balance		<u>18,337,744</u>		<u>3,860,527</u>

### (d) Issue of Class A shares

18,337,744 Class A shares were issued to sophisticated investors at an issue price of \$0.22 per Class A share. The Class A shares have the same rights as ordinary shares, however, in the event of an initial public offer of shares in the Company, the Class A shares will convert to ordinary shares, if the IPO issue price is \$0.275 or higher, on a one-for-one basis immediately on the admission of the Company to the official list of the ASX.





## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### Note 8 Cash flow information

	31 December 2017 \$	30 June 2017 \$
Cash and cash equivalents shown in the statement of cashflows comprises the following:		
Cash and cash equivalents	5,372,945	1,011,542
Investments	2,000,000	-
	7,372,945	1,011,542

For the purpose of the statement of cashflows term deposits classified as investments are included as cash and cash equivalents as they are subject to insignificant risk of changes in value and readily converted within 31 days of notice given if required.

### Note 9 Events occurring after the balance date

Since 31 December 2017, the Group has:

- (a) Converted 18,337,744 Class A shares to 18,337,744 ordinary shares on the admission of the Company to the official list of the ASX
- (b) Issued 15,000,000 ordinary shares at \$0.30 each, under the prospectus for the initial public offering of the Company, to raise \$4,500,000.
- (c) Issued 384,000 options to employees under the employee share option plan. Options are exercisable at \$0.32 each and expire on 14 February 2023. The options vest in 13 tranches after a cliff, on a quarterly basis, over a period of four years.

No other matters or circumstances has arisen since 31 December 2017 that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

## DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read "Tony Bellas".

Tony Bellas  
Chairman

28 February 2018  
Brisbane

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of IntelliHR Holdings Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of IntelliHR Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial 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 the Group, 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.

#### **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*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **BDO Audit Pty Ltd**



**R M Swaby**  
Director

Brisbane, 28 February 2018