

# **COMPUMEDICS LIMITED**

(ACN 006 854 897)

## **ASX Half-year information 31 December 2017**

Lodged with the ASX under Listing Rule 4.2A.3

This information should be read in conjunction with the 30 June 2017 Annual Report.

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**Compumedics Limited**  
**Half-year ended 31 December 2017**  
(Previous corresponding period:  
Half-year ended 31 December 2016)

**Results for Announcement to the Market**

				<b>\$'000</b>
<b>Revenue</b> from continuing operations <i>(Appendix 4D item 2.1)</i>		Down 0% or \$90k	to	16,101
<b>Profit</b> before interest and tax (A\$'000)		Up 73% or \$353k	to	836
<b>Profit</b> after tax attributable to members <i>(Appendix 4D item 2.2)</i>		Up 184% or \$415k	to	641
<b>Net Profit</b> for the period attributable to members <i>(Appendix 4D item 2.3)</i>		Up 184% or \$415k	to	641

<b>Dividends/distributions</b> <i>(Appendix 4D item 2.4)</i>	Amount per security	Franked amount per security
Final dividend (prior year)	n/a	n/a

**Record date** for determining entitlements to the  
dividend  
*(Appendix 4D item 2.5)*

n/a

No interim dividend has been declared.

**Explanation of Revenue** *(Appendix 4D item 2.6)*

The Company took record sales orders in the six months to December 31, 2017 of \$18.5m, including the first MEG sales order. Together with sales orders carried forward from the prior year of \$4.1m the Company had a total of \$22.6m in sales orders for the six months to December 31, 2017. Due to some of these sales orders not being booked until late in the first half of the financial year and the MEG order still being prepared for shipment in the second half of the financial year, the Company generated \$16.1m in shipped and invoiced revenues from the sale of goods and services, for the six months to December 31, 2017. This was equivalent to the prior corresponding half-year period (pcp). At 31 December 2017, the Company was holding \$6.5m in sales orders to ship, up substantially from \$4.1m at 30 June 2017.

Importantly sales orders taken in the US business for H1 FY18 were 49% higher than the pcp, indicating the changes made there during calendar 2017 are beginning to deliver results. Shipped and invoiced

sales in the US were 19% higher than the pcg. Also sales orders taken in Europe, including the company's direct operations in France and Germany were 317% higher for H1 FY18, reflecting the large EEG sale won in Germany, as previously announced (ASX release: 21 September 2017). Shipped and invoiced sales in Europe in H1 FY18 were 286% higher than the pcg.

Sales orders taken by the DWL business, based in Germany were 19% higher in H1 FY18, compared to the pcg, whilst shipped and invoiced sales for DWL were equivalent.

### **Explanation of Profit after tax** *(Appendix 4D item 2.6)*

Profit after tax for the half-year to 31 December 2017 was \$0.6m compared to \$0.2m for the prior corresponding half-year.

The improvement in the profitability of the Company over the pcg was primarily a result of the ongoing improvements in the gross margins of the business. The improvement in gross margins from 54% in the pcg to 58% in H1 FY18 results from the company now shipping the new lower cost Graef product line and also the significant cost reductions as an outcome of having moved certain manufacturing to third parties here in Australia and the ongoing efficiency gains that have resulted from that, within the Company's factory and operations team.

The Company remains committed to its strategic growth plans, whilst at the same time improving productivity and efficiency throughout the business in order to continue to generate consistent and growing profits.

### **Explanation of Dividends** *(Appendix 4D item 2.6 )*

No dividends were declared or paid in the period.

### **Net Tangible Asset (NTA) Backing** *(Appendix 4D item 3)*

	2017	2016
Net tangible asset backing per ordinary share	9.5 cents	9.2 cents

Net tangible assets of \$16.795m divided by issued ordinary shares of 177.163m = 9.5 cents per share

# **Compumedics Limited**

## **Half-year report – 31 December 2017**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Compumedics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Stock Exchange Listing Rules.

# Directors' Report

## Interim Report – 31 December 2017

Your directors present their report on the consolidated entity consisting of Compumedics Limited and the entities it controlled at the end of and during the half-year ended 31 December 2017.

### Directors

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

Dr. D. Burton  
Dr. A. Anderson  
Mr. D. Lawson

### Review of Operations

A summary of consolidated revenues and results for the half-year is set out below:

	<b>6 months ended Dec 2017</b>	<b>6 months ended Dec 2016</b>
Revenues from continuing operations (A\$'000)	16,101	16,191
Profit before interest, and tax (A\$'000)	836	483
Profit for the half-year (A\$'000)	641	226
Basic earnings per share (cents)	0.4	0.1
Diluted earnings per share (cents)	0.4	0.1

### Business / Product Group Performance

Group net profit after tax for the half-year to 31 December 2017 was \$0.6m compared to \$0.2m in the prior corresponding half-year. The result primarily reflects the ongoing improvements in the gross margins of the business. The improvement in gross margins from 54% in the pcg to 58% in H1 FY18 results from the company now shipping the new lower cost Graef product line and also the significant cost reductions as an outcome of having moved certain manufacturing to third parties here in Australia and the ongoing efficiency gains that have resulted from that, within the Company's factory and operations team.

The Group continues to focus on the identified growth opportunities and will pursue these in conjunction with productivity gains and cost reductions in order to continue to grow the earnings of the Group.

The Group's key financial metrics over the half-year to 31 December 2017 included:

- EBITDA for the half year to 31 December 2017 was \$1.1m compared to \$1.2m in the prior corresponding period.
- Operating cash flows were negative \$0.2m for the half-year to 31 December 2017, compared to positive \$1.5m in the half-year to 31 December 2016. This reflects some delayed payments of accounts receivable balances, particularly out of China, which have subsequently been received in January and February 2018.
- Borrowings, at 31 December 2017, of \$0.8m were similar when compared to the \$0.7m of borrowings at 30<sup>th</sup> June 2017.
- Cash on hand at 31 December 2017 was \$2.9m, which compared to the balance at 30<sup>th</sup> June 2017 at \$4.1m, reflecting primarily delayed accounts receivable payments, which have mostly subsequently been received in January and February 2018.

### **Explanation of non-IFRS measures of performance**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit after tax	641	226
Tax expense / (benefit)	93	80
Interest expense	102	177
Earnings before interest and tax (EBIT)	836	483
Depreciation	130	108
Amortisation	109	560
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,075	1,151

The Group's financial results are reported under International Financial Reporting Standards (IFRS). This market release also contains non-IFRS measures including EBITDA, EBIT and constant currency. These measures are presented to enable an understanding of the performance of the business before funding, taxation and the treatment of assets is taken into consideration and to review the performance of the business excluding foreign currency movements. The table above explains how EBITDA and EBIT have been calculated.

### **Events subsequent to reporting date**

There are no matters subsequent to half-year end that would materially impact the financial information provided.

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

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

## **Rounding of amounts**

Compumedics Limited is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2017/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'D. Burton', with a stylized, cursive script.

D. Burton  
Executive Chairman

Melbourne  
23 February 2018

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF COMPUMEDICS  
LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

  
**Nexia Melbourne Audit Pty Ltd**  
Melbourne

  
**Geoff S. Parker**  
Director

Dated this 23 day of FEBRUARY 2018



**Compumedics Limited**  
**Consolidated statement of profit or loss and other**  
**comprehensive income**  
**for the half-year ended 31 December 2017**

	Notes	Half-year 2017 \$'000	Half-year 2016 \$'000
Sale of goods		14,315	14,517
Rendering of services		1,786	1,674
<b>Revenue</b>		<b>16,101</b>	<b>16,191</b>
Cost of sales		(6,710)	(7,394)
<b>Gross profit</b>		<b>9,391</b>	<b>8,797</b>
Other revenue		190	303
Administration		(2,768)	(2,521)
Sales & Marketing		(3,559)	(3,014)
Research & Development		(2,281)	(3,109)
Unrealised foreign exchange gain / (loss)		(137)	27
Finance costs		(102)	(177)
<b>Profit before income tax</b>		<b>734</b>	<b>306</b>
Income tax revenue/(expense)		(93)	(80)
<b>Profit after income tax</b>		<b>641</b>	<b>226</b>
<b>Net profit for the period</b>		<b>641</b>	<b>226</b>
<b>Other comprehensive income</b>			
Items that may be subsequently reclassified to Profit or Loss when specific conditions are met:			
Foreign currency translation		174	(13)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>815</b>	<b>213</b>

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

**Compumedics Limited**  
**Consolidated statement of profit or loss and**  
**comprehensive income**  
**for the half-year ended 31 December 2017**

	Notes	Half-year 2017 \$'000	Half-year 2016 \$'000
<b>Earnings per share for profit attributable to the ordinary equity holders of the parent:</b>		Cents	Cents
Basic earnings per share		0.4	0.1
Diluted earnings per share		0.4	0.1

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

**Compumedics Limited**  
**Consolidated statement of financial position**  
**as at 31 December 2017**

	Notes	31 Dec 2017 \$'000	30 June 2017 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,948	4,102
Trade and other receivables		14,839	13,771
Inventories		7,691	7,418
<b>Total current assets</b>		<b>25,478</b>	<b>25,291</b>
<b>Non-current assets</b>			
Deferred tax asset		702	773
Property, plant and equipment		612	718
Intangible assets	3	3,369	2,446
<b>Total non-current assets</b>		<b>4,683</b>	<b>3,937</b>
<b>Total assets</b>		<b>30,161</b>	<b>29,228</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		4,317	4,165
Interest bearing liabilities	4	826	707
Provisions		2,735	2,697
Deferred revenues		1,251	1,368
Income tax payable		7	7
<b>Total current liabilities</b>		<b>9,136</b>	<b>8,944</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	4	6	8
Provisions		21	16
Deferred revenues		132	209
<b>Total non-current liabilities</b>		<b>159</b>	<b>233</b>
<b>Total liabilities</b>		<b>9,295</b>	<b>9,177</b>
<b>Net assets</b>		<b>20,866</b>	<b>20,051</b>
<b>EQUITY</b>			
Contributed equity		35,654	35,654
Reserves		(565)	(739)
Retained earnings / (losses)		(14,223)	(14,864)
<b>Total equity</b>		<b>20,866</b>	<b>20,051</b>

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

**Compumedics Limited**  
**Consolidated statement of changes**  
**in equity for the half-year**  
**ended 31 December 2017**

	<b>Contributed equity \$,000</b>	<b>Reserves \$,000</b>	<b>Retained earnings/ (losses) \$,000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2016</b>	<b>31,420</b>	<b>(655)</b>	<b>(16,169)</b>	<b>14,596</b>
Profit for the period			226	226
Other comprehensive income / (loss)		(13)		(13)
<b>Total comprehensive income / (loss) for the half year</b>		<b>(13)</b>	<b>226</b>	<b>213</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	4,233			4,233
<b>Balance at 31 December 2016</b>	<b>35,653</b>	<b>(668)</b>	<b>(15,943)</b>	<b>19,042</b>
<b>Balance at 1 July 2017</b>	<b>35,654</b>	<b>(739)</b>	<b>(14,864)</b>	<b>20,051</b>
Profit for the period			641	641
Other comprehensive income / (loss)		174		174
<b>Total comprehensive income / (loss) for the half year</b>		<b>174</b>	<b>641</b>	<b>815</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	-			-
<b>Balance at 31 December 2017</b>	<b>35,654</b>	<b>(565)</b>	<b>(14,223)</b>	<b>20,866</b>

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

**Compumedics Limited**  
**Consolidated statement of cash flows**  
**for the half-year ended 31 December 2017**

	Notes	Half-year 2017 \$'000	Half-year 2016 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		15,071	17,985
Payments to suppliers and employees (inclusive of goods and services tax)		(15,314)	(16,592)
Receipts from other income		190	303
Income tax paid		(47)	(47)
Interest paid (net of interest received)		(96)	(163)
<b>Net cash (outflow) from operating activities</b>		<b>(196)</b>	<b>1,486</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(26)	(67)
Purchase of intangible assets		(1,032)	(597)
<b>Net cash (outflow) from investing activities</b>		<b>(1,058)</b>	<b>(664)</b>
<b>Cash flows from financing activities</b>			
Contributed equity		-	4,233
Repayments of finance leases		(3)	-
Proceeds from borrowings		168	-
Repayment of borrowings		-	(2,168)
<b>Net cash (outflow) from financing activities</b>		<b>165</b>	<b>2,065</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,089)</b>	<b>2,887</b>
Cash and cash equivalents at the beginning of the period		3,398	1,919
Net foreign exchange differences		(18)	40
<b>Cash and cash equivalents at the end of the period</b>	4	<b>2,291</b>	<b>4,846</b>

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

**Compumedics Limited**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2017**

**1 Basis of preparation and accounting policies**

**(a) Basis of preparation**

The general purpose condensed financial report for the half-year ended 31 December 2017 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included within the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Compumedics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Stock Exchange Listing Rules.

The accounting policies adopted for the interim condensed consolidated financial statements are consistent with those followed for the preparation of the Group's annual financial statements for the year ended 30 June 2017, and other standards issued as of 1 July 2017 do not have a significant impact on the consolidated financial statements of Compumedics Limited.

The Group has not elected to early adopt any other new standards, amendments or interpretations that are issued but not yet effective.

**(b) Going Concern assumption**

During the half-year ended 31 December 2017, the Group generated a profit after tax of \$0.6m and break-even cash flows from operations of \$(0.2)m. In the corresponding prior half-year the Group generated a profit after tax of \$0.2m and had positive cash flows from operations of \$1.5m.

The Group's net cash position at 31 December 2017 was \$2.3m, having highlighted some delayed accounts receivable payments from China, subsequently received in January and February 2018. The Company also negotiated a new \$1.8m working capital facility to fund the manufacture and installation of the new MEG system, which the Group is currently preparing for sale and installation late in the second half of FY18.

As such, the Directors have prepared the financial statements on a going-concern basis.

**Compumedics Limited**

**Notes to the consolidated financial statements  
for the half-year ended 31 December 2017**

**Note 2. Operating segment**

**Identification of reportable segments**

The Group has identified its operating segments based on the internal reports, which are produced by geographical segment and which are reviewed and used by the chief operating decision maker, being the Chief Executive Officer and Chief Financial Officer, in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the country of origin and the senior managers who are responsible for the performance of the business in that geographic territory, the type of product and service provided and whether the product is sold directly to end-user customers or via distributors.

The reportable segments are based on geographic territory as these are the sources of the Group's major risks and have the most effect on rates of return.

**Geographic locations**

*Americas*

The Group's Americas based business includes, the United States, Canada and Latin America. The Group sells all of its product offerings in this region including sleep diagnostic systems, clinical EEG systems, brain monitoring systems, ultrasonic blood-flow systems, supplies and technical service and support. The USA business also includes the sleep diagnostic services business. Sales in the Americas are predominantly direct sales to end-user customers. The USA office is based in Charlotte, North Carolina.

*Australia and Asia Pacific*

The Group's head office is based in Melbourne, Australia and the Australia and Asia Pacific territory includes all countries in the Asia Pacific region with major countries for the territory including Japan and China. The Group sells all of its product offerings in this region including sleep diagnostic systems, clinical EEG systems, brain monitoring systems, ultrasonic blood-flow systems, supplies and technical service and support. The group sells directly to end-user customers in Australia and via a network of distributors into the Asian region.

*Europe and the Middle East*

The Group's Europe-based business has its principal office in Singen, Germany with a second office in Hamburg, Germany. The European territory includes all countries in the European region, plus all Middle Eastern countries. The Group sells all of its product offerings in this region

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2017**

**Note 2. Operating segment (continued)**

including sleep diagnostic systems, clinical EEG systems, brain monitoring systems, ultrasonic blood-flow systems, supplies and technical service and support. The Group sells its ultrasonic blood-flow systems directly in Germany and all other products are sold via a network of distributors across the territory.

The following table represents revenue and profit information for reportable segments for the half-years ended 31 December 2017 and 31 December 2016.

**Half-year ended 31 December 2017**

	<b>Continuing operations</b>				
	<b>Australia and Asia</b>				
	<b>USA</b>	<b>Pacific</b>	<b>Europe</b>	<b>Other</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>					
Sales to external customers	5,687	6,082	4,332	-	16,101
Intersegment sales	482	1,394	26	-	1,902
Other intersegment revenue	-	-	-	-	-
<b>Total segment revenue</b>	<b>6,169</b>	<b>7,476</b>	<b>4,358</b>	<b>-</b>	<b>18,003</b>
Intersegment elimination	(482)	(1,394)	(26)	-	(1,902)
<b>Total revenue</b>	<b>5,687</b>	<b>6,082</b>	<b>4,332</b>	<b>-</b>	<b>16,101</b>
<b>Segment Result</b>	<b>1,523</b>	<b>(30)</b>	<b>(418)</b>	<b>-</b>	<b>1,075</b>
Other income					
Depreciation and amortisation	(53)	(17)	(169)	-	(239)
Finance costs	(26)	(62)	(14)	-	(102)
<b>Net profit or loss before income tax per the statement of profit or loss and other comprehensive income</b>	<b>1,444</b>	<b>(109)</b>	<b>(601)</b>	<b>-</b>	<b>734</b>
<b>Segment Assets</b>	<b>5,130</b>	<b>43,624</b>	<b>6,216</b>	<b>-</b>	<b>54,970</b>
Intersegment eliminations	(91)	(24,718)	-	-	(24,809)
<b>Total assets per the Statement of Financial Position</b>	<b>5,039</b>	<b>18,906</b>	<b>6,216</b>	<b>-</b>	<b>30,161</b>



**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2017**

**Half-year ended 31 December 2016**

	Continuing operations				
	USA	Australia and Asia Pacific	Europe	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>					
Sales to external customers	4,794	8,732	2,665	-	16,191
Intersegment sales	317	1,691	52	-	2,060
Other intersegment revenue	-	-	-	-	-
<b>Total segment revenue</b>	<b>5,111</b>	<b>10,423</b>	<b>2,717</b>	<b>-</b>	<b>18,251</b>
Intersegment elimination	(317)	(1,691)	(52)	-	(2,060)
<b>Total revenue</b>	<b>4,794</b>	<b>8,732</b>	<b>2,665</b>	<b>-</b>	<b>16,191</b>
<b>Segment Result</b>	<b>(406)</b>	<b>1,872</b>	<b>(315)</b>	<b>-</b>	<b>1,151</b>
Other income					
Depreciation and amortisation	(31)	(462)	(175)	-	(668)
Finance costs	(37)	(131)	(9)	-	(177)
<b>Net profit or loss before income tax per the statement of profit or loss and other comprehensive income</b>	<b>(474)</b>	<b>1,279</b>	<b>(499)</b>	<b>-</b>	<b>306</b>
<b>Segment assets</b>	<b>4,179</b>	<b>43,080</b>	<b>6,559</b>	<b>-</b>	<b>53,818</b>
Intersegment eliminations	(10)	(26,316)	(93)	-	(26,419)
<b>Total assets per the Statement of Financial Position</b>	<b>4,169</b>	<b>16,764</b>	<b>6,466</b>	<b>-</b>	<b>27,399</b>

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2017**

**Note 3. Intangible assets**

	<b>31 Dec 17</b> <b>\$'000</b>	<b>30 Jun 17</b> <b>\$'000</b>
Intangible asset	3,369	2,446

Intangible assets comprise capitalised development costs associated with the SomniLink® SPAP® sleep-treatment device as well as the new MEG project and the Somfit® device. No development costs were capitalised in the half-year to 31 December 2017 for the SomniLink® SPAP® sleep-treatment device. \$1.0m of costs were capitalised in relation to the new MEG project and the Somfit® project in the six months to 31 December 2017. A \$7k amortisation charge is included in the profit and loss for the six months to 31 December 2017. The MEG asset will be amortised over a 10-year period commencing with the first sale, expected in H2 FY2018. The Somfit asset will be amortised over a 7-year period, commencing with the first commercial transaction, expected in H1 FY19.

The Germany-based DWL business capitalises development costs associated with its new Multi-Dop X digital system with Colour Doppler Imaging Module. Additional costs of \$0.04m were capitalised in the current period. Amortisation of \$0.1k is included in the profit and loss for the six months to 31 December 2017. Sales commenced during the 2015 financial year and the intangible assets will be amortised over a 7-year period.

**Note 4. Cash, Interest bearing liabilities and cash equivalents**

	<b>31 Dec 17</b> <b>\$'000</b>	<b>30 Jun 17</b> <b>\$'000</b>
Current interest bearing liabilities	826	707
Non-current interest bearing liabilities	6	8
<b>Total interest bearing liabilities</b>	<b>832</b>	<b>715</b>
<b>Current interest bearing liabilities comprise:</b>		
Invoice financing facility / Overdraft	657	704
Fixed term borrowings	168	-
Other – lease commitments	1	3
Total current interest bearing liabilities	826	707
<b>Cash and cash equivalents</b>		
Cash	2,948	4,102
Overdraft and trade facility	(657)	(704)
Cash and cash equivalents	2,291	3,398

**Compumedics Limited**

**Notes to the consolidated financial statements  
for the half-year ended 31 December 2017**

**Note 4. Cash, Interest bearing liabilities and cash equivalents (continued)**

Interest bearing liabilities comprise primarily an invoice financing facility provided by the Group's bank in Australia and the US, as well as an overdraft facility in DWL Germany and a new working capital facility. A hire purchase facility makes up the remainder of the interest bearing liabilities at 31 December 2017.

The Group reports cash flows back to cash and cash equivalents as noted in the table above, by subtracting the working-capital financing facilities from actual cash held by the Group at reporting date.

**Note 5. Commitments**

The Group has lease commitments relating to the offices it runs the business from in Melbourne, Charlotte, Singen, Hamburg and El Paso. The total commitments under these leases are:

Approximate lease commitments due within one year are \$912k

Approximate lease commitments due greater than one year are \$494k

**Note 6. Events occurring after reporting date**

There are no matters subsequent to half-year end that would materially impact the financial information provided.

**Compumedics Limited**  
**Directors' Declaration**  
**for the half-year ended 31 December 2017**

In accordance with a resolution of the Directors of Compumedics Limited, we state that:

In the opinion of the directors:

(a) the financial statements and notes set out on pages 9 to 19 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Compumedics Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



David Burton  
Executive Chairman

Melbourne  
23 February 2018

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF COMPUMEDICS LIMITED**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Compumedics Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the consolidated entity 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 gives a true and fair view and 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 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 Compumedics Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **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 Compumedics Limited.

## Conclusion

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

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Nesia

**Nexia Melbourne Audit Pty Ltd**  
Melbourne



**Geoff S. Parker**  
Director

Dated this 23 day of FEBRUARY 2018



## Compumedics Limited Supplementary Appendix 4D information for the half-year ended 31 December 2017

### **Additional dividend/distribution information<sup>2</sup>** *(Appendix 4D item 5)*

Details of dividends/distributions declared or paid during or subsequent to the year ended 31 December 2017 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
N/A	N/A	N/A	N/A	N/A	N/A	N/A

### **Dividend/distribution reinvestment plans** *(Appendix 4D item 6)*

NOT APPLICABLE

### **Material factors affecting the revenues and expenses of the economic entity for the current period**

The major impacts to the revenues and expenses of the economic entity in the half-year to 31 December 2017 have already been disclosed elsewhere in this document.

### **Material factors affecting the assets, liabilities and equity of the economic entity for the current period**

The major factors impacting the assets and liabilities of the Company relate to the on-going focus of the Company on enhancing its financial performance.

### **Material factors affecting the cash flows of the economic entity for the current period**

The major factors impacting the cash flows of the Company relate to the on-going focus of the Company on enhancing its financial performance. In the six months to 31 December 2017 the cash flows of the Company were impacted by the delay in some account receivable balances, primarily out of China, that were subsequently received in January and February 2018.