

Thorney Opportunities Ltd

ABN 41 080 167 264

Appendix 4D and 2019 Half-Year Financial Statements

31 December 2018

APPENDIX 4D (Listing Rule 4.2A3)

Consolidated financial statements for the half-year ended 31 December 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended
31 December 2017)

	\$'000s	Up/Down	Movement
Revenue/(loss) from ordinary activities	(16,745)	Down	224%
Profit (loss) after tax for the year	(12,407)	Down	248%

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2019 Interim dividend per share	0.66	0.66	27.5%
2018 Final dividend per share	0.90	0.90	27.5%
2018 Interim dividend per share	0.60	0.60	30.0%

2019 Interim dividend dates

Ex-dividend date	19 March 2019
Record date	20 March 2019
Interim dividend payment date	4 April 2019

The Company's Dividend Reinvestment Plan (DRP) will not apply to the 2019 Interim dividend.

	31 Dec 2018	31 Dec 2017	Movement
Net tangible asset backing per ordinary share	68.7 cents	75.1 cents	Down 8.5%

This report should be read in conjunction with the Thorney Opportunities Ltd 2018 Annual Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2018.

This report is based on the consolidated financial statements for the half-year ended 31 December 2018 which have been reviewed by Ernst & Young.

Company particulars

Thorney Opportunities Ltd is a disclosing entity under the *Corporations Act 2001* and currently considered an investment entity pursuant to ASX Listing Rules. The Company is primarily an investor in listed equities on the Australian securities market.

ASX Code: TOP

Security: Thorney Opportunities Ltd fully paid ordinary shares

Directors: Alex Waislitz, Chairman
Ashok Jacob
Henry Lanzer AM
Dr Gary Weiss

Secretary: Craig Smith

Country of incorporation: Australia

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For all shareholder related enquiries please contact the share registry.

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Chairman's letter

Dear fellow shareholders

As at 31 December 2018, TOP's net tangible asset backing per share (NTA) was 68.7 cents. However, since the beginning of the 2019 calendar year, the NTA increased around 5% to 72.1 cents per share as at 31 January 2019 following more optimistic equity market conditions. Some positive half year results released by core portfolio companies, and endorsement from the market, has seen the NTA continue to climb through February. Since inception in December 2013, TOP's NTA plus dividends has delivered returns to shareholders of over 58%.

The declining equity market conditions in the last quarter of calendar year 2018 saw some negative moves in valuations of core TOP portfolio investments. However, I maintain my conviction regarding these positions, most of which have seen a substantial recovery in value during the first few weeks of 2019. These companies have proven over the long term to be financially robust, well-managed and successful in the execution of their strategic plans. In fact, the equity market volatility provided a valuation arbitrage, which we acted upon, taking the opportunity to buy additional shares at attractive prices.

I am pleased to announce that TOP Directors have decided to increase the interim dividend for the 31 December 2018 half year by 10% to 0.66 cents per share (December 2017: 0.6 cents per share). TOP shares will trade ex-dividend on 19 March 2019 with the interim dividend being paid on 4 April 2019.

There have been a number of operational and investment highlights for TOP during the period, including:

- Service Stream Limited (SSM) announced in December 2018, the \$161.7 million acquisition of Comdain Infrastructure, an engineering service provider to utility asset operators. The deal was completed in early January 2019 and is expected to provide a further diversification of its revenues and growth in earnings. SSM recently announced its financial results for the half year period ended 31 December 2018, again delivering an increase in all key metrics which has translated into a strong share price response;
- AMA Group Limited continued to acquire and expand its panel business throughout the period. Ahead of its Annual General Meeting, the Company announced a number of changes to its board and management structure, a framework which should position it to achieve its growth ambitions;
- Money3 Corporation Limited continues to grow its automotive loan book business and announced earlier this week as part of its half year results release that it had executed on its stated strategy to exit the small amounts loan business. This transaction, coupled with the announcement that it was also acquiring a New Zealand-based automotive loan book, was well-received by investors and other stakeholders. The company also announced board changes during the period including a new chairman and TOP is supportive of these appointments;
- Following an extended period of an ASX trading suspension, Murray River Organics Group Limited emerged having completed a substantial recapitalisation of its balance sheet in October 2018. TOP was one of the anchor participants in this capital raise, emerging, along with its associates, with a shareholding in the company of 32%. With a stronger balance sheet, a stable and capable board and management team, I am optimistic about the long term prospects for Murray River Organics;
- Nine Entertainment Co Holdings Limited completed its merger with Fairfax Media Limited during December 2018, creating a larger and diversified player in the television, newspaper, radio and on-line property business markets.

Chairman's letter (continued)

Following the statutory half-year reporting of all TOP portfolio companies, I intend to send you in March a Chairman's Update with some additional detail and insight on the reported results and any other significant developments.

These are challenging times for all investors and the risks from the well-articulated range of macro and geopolitical risks should not be under-estimated.

In this difficult climate, the need for deeply researched, individual stock picking ability is even more pronounced.

Fortunately, this is the exact skill set which sets the TOP investment team apart and which we are confident will help us deliver sustained out-performance for our shareholders over time.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alex Waislitz', with a long horizontal flourish extending to the right.

Alex Waislitz
Chairman

26 February 2019

Directors' report

The directors present their report, together with the financial statements of Thorney Opportunities Ltd (TOP or Company) for the half-year ended 31 December 2018 and the auditor's review report thereon. The consolidated financial statements have been reviewed and approved by directors on the recommendation of the Audit and Risk Committee.

1. Directors

The directors of TOP in office during the half-year and at the date of this report are as follows:

<u>Name:</u>	<u>Period of Directorship:</u>
Alex Waislitz	Director since 21 November 2013
Ashok Jacob	Director since 21 November 2013
Henry Lanzer AM	Director since 21 November 2013
Dr Gary Weiss	Director since 21 November 2013

2. Principal activities

Thorney Opportunities Ltd is a listed investment company with a flexible investment mandate which focuses primarily on public listed companies and where opportunity exists for latent value to be unlocked over the medium to long term.

3. Review of operations

For the half-year under review the Company recorded a net loss after tax of \$12,406,916 and for the previous corresponding half-year recorded a profit after tax of \$8,373,661. TOP's half year result principally reflects mark to market reductions in the market value of the Company's portfolio compared with a gain in the corresponding period.

Notwithstanding the recent equity market falls, TOP's five largest portfolio holdings (SSM, AMA, MNY, OVH, ANG), which represent circa 70% of the TOP portfolio, operationally continue to meet or exceed market expectations. Key personnel from SSM, MNY, OVH and ANG presented at the TOP AGM Thorney Investment Forum in late November 2018 and these presentations were recorded and are available on the TOP website.

The Net Tangible Asset Backing per share (NTA) after tax as at 31 December 2018 of 68.7 cents per share compared with 75.7 cents per share as at 30 June 2018. These figures are after dividend payments of 1.5 cents per share during 2018 (2017: 1.25 cents).


A 2018 Final dividend of 0.90 cents per share fully franked was paid during the period and a 2019 interim fully franked dividend of 0.66 cents per share has been declared by the Board and will be paid on 4 April 2019.

Directors' report (continued)

4. Auditor's independence declaration

The Auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on the following page.

Signed in accordance with a resolution of directors:

A handwritten signature in blue ink, appearing to read 'Alex Waislitz', with a long horizontal stroke extending to the right.

Alex Waislitz
Chairman

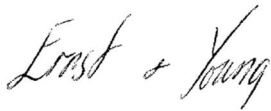
Melbourne, 26 February 2019

Auditor's Independence Declaration to the Directors of Thorney Opportunities Ltd

As lead auditor for the review of the half-year financial report of Thorney Opportunities Ltd for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of 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.

This declaration is in respect of Thorney Opportunities Ltd and the entities it controlled during the financial period.



Ernst & Young



Tony Morse
Partner
26 February 2019

Consolidated statement of comprehensive income

For the half-year ended 31 December 2018

	Note	December 2018 \$	December 2017 \$
Income			
Net changes in fair value of trading investments	2	(19,513,011)	10,928,948
Interest income	2	142,101	692,738
Dividend income	2	2,596,404	1,852,098
Other income	2	29,074	-
Total investment (loss)/income	2	(16,745,432)	13,473,784
Expenses			
Management fees	8	(1,108,834)	(1,217,787)
Performance fees	8	-	(2,159,246)
Directors' fees		(84,862)	(84,863)
Finance costs		(13)	(58,045)
Fund administration and operational costs		(65,350)	(119,735)
Legal and professional fees		(100,209)	(110,033)
Other administrative expenses		(19,310)	(23,951)
Total expenses		(1,378,578)	(3,773,660)
(Loss)/profit before income tax benefit (expense)		(18,124,010)	9,700,124
Income tax benefit/(expense)	3	5,717,094	(1,326,463)
Total comprehensive (loss)/profit for the half-year		(12,406,916)	8,373,661
Basic and diluted (loss)earnings per share	9	(6.09)	4.84

The Consolidated statement of comprehensive income should be read in conjunction with the notes to the half-year consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2018

	Note	December 2018 \$	June 2018 \$
ASSETS			
Current assets			
Cash and short-term deposits		4,799,871	14,589,511
Financial assets	5	139,265,499	152,423,912
Receivables		115,386	54,191
Other assets		57,818	8,983
Total current assets		144,238,574	167,076,597
TOTAL ASSETS		144,238,574	167,076,597
LIABILITIES			
Current liabilities			
Payables	6	1,369,344	4,308,226
Prime Broker		121,443	-
Derivative financial instruments	5	-	64,000
Total current liabilities		1,490,787	4,372,226
Non-current liabilities			
Net deferred tax liabilities	4	2,838,732	8,555,826
Total non-current liabilities		2,838,732	8,555,826
TOTAL LIABILITIES		4,329,519	12,928,052
NET ASSETS		139,909,055	154,148,545
EQUITY			
Issued capital	7	105,585,376	105,585,376
Reserve		65,377,446	56,649,833
Accumulated losses		(31,053,767)	(8,086,664)
TOTAL EQUITY		139,909,055	154,148,545

The Consolidated statement of financial position should be read in conjunction with the notes to the half-year consolidated financial statements.

Consolidated statement of changes in equity

For the half-year ended 31 December 2018

	Issued capital \$	Profits reserve \$	Accumulated profits/(losses) \$	Total equity \$
Balance at 1 July 2018	105,585,376	56,649,833	(8,086,664)	154,148,545
Loss for the half-year	-	-	(12,406,916)	(12,406,916)
Total comprehensive loss for the half-year	-	-	(12,406,916)	(12,406,916)
Transfer to Profits Reserve	-	10,560,187	(10,560,187)	-
<u>Transactions with shareholders:</u>				
Dividends paid	-	(1,832,574)	-	(1,832,574)
Total transactions with shareholders	-	(1,832,574)	-	(1,832,574)
Balance as at 31 December 2018	105,585,376	65,377,446	(31,053,767)	139,909,055

For the half-year ended 31 December 2017

	Issued capital \$	Profits reserve \$	Accumulated profits/(losses) \$	Total equity \$
Balance at 1 July 2017	81,623,698	39,775,682	-	121,399,380
Profit for the half-year	-	-	8,373,661	8,373,661
Total comprehensive income for the half-year	-	-	8,373,661	8,373,661
Transfer to Profits Reserve	-	8,373,661	(8,373,661)	-
<u>Transactions with shareholders:</u>				
Dividends paid	-	(1,102,799)	-	(1,102,799)
Shares issued:				
Dividend reinvestment plan (DRP)	125,427	-	-	125,427
Placement	18,300,000	-	-	18,300,000
Cost of shares issued net of tax	(472,924)	-	-	(472,924)
Total transactions with shareholders	17,952,503	(1,102,799)	-	16,849,704
Balance as at 31 December 2017	99,576,201	47,046,544	-	146,622,745

The Consolidated statement of changes in equity should be read in conjunction with the notes to the half-year consolidated financial statements.

Consolidated statement of cash flows

For the half-year ended 31 December 2018

	December 2018 \$	December 2017 \$
Cash from operating activities:		
Interest received	142,101	692,738
Dividends received	2,649,054	1,852,098
Proceeds from sale of trading investments	27,219,338	6,833,789
Payments for trading investments	(33,681,625)	(12,316,264)
Payments to suppliers and employees	(4,460,251)	(6,552,508)
Finance costs	(13)	(58,045)
Other income received	29,074	-
Net cash used in operating activities	(8,102,322)	(9,548,192)
Cash flows from investing activities:		
Proceeds from sale of investments	-	4,000,000
Net cash provided by investing activity	-	4,000,000
Cash flows from financing activities:		
Drawdown of borrowings	121,443	-
Proceeds from issuance of shares	-	18,300,000
Payment for transaction costs	-	(472,924)
Dividends paid (net of DRP)	(1,808,761)	(972,185)
Net cash (used in)/provided by financing activities	(1,687,318)	16,854,891
Net (decrease) / increase in cash held	(9,789,640)	11,306,699
Cash at the beginning of the year	14,589,511	1,067,310
Cash at the end of the year	4,799,871	12,374,009

The Consolidated statement of cash flows should be read in conjunction with the notes to the half-year consolidated financial statements.

Notes to the consolidated financial statements

The Consolidated half-year financial statements of Thorney Opportunities Ltd for the half-year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 26 February 2019.

1. Summary of accounting policies

(a) Basis of preparation

The consolidated half-year financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated half-year financial statements do not include all of the information required for full-year statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2018 and any public announcements made by Thorney Opportunities Ltd during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

Changes in Accounting Standards

The accounting policies adopted in the preparation of the consolidated financial statements for the half-year ended 31 December 2018 are consistent with those of the most recent annual financial report. The impact of adopting any amendments to standards was not material.

2. Total investment income

The major components of investment income in the Statement of comprehensive income are:

	2018 \$	2017 \$
Realised gains	8,416,296	1,367,783
Unrealised (losses) gains	(27,929,307)	9,561,165
Interest income	142,101	692,738
Dividend income	2,596,404	1,852,098
Other income	29,074	-
Total investment (loss)/income	(16,745,432)	13,473,784

Notes to the consolidated financial statements continued

3. Income tax

The income tax benefit attributable to the year differs from the prima facie amount receivable on the loss before tax benefit. The difference is reconciled as follows:

	December 2018	December 2017
Current tax		
Current income tax (benefit)/expense	(730,663)	899,454
Deferred tax		
Origination and reversal of temporary differences	(4,986,431)	427,009
Income tax (benefit)/expense recognised in the Statement of profit or loss	(5,717,094)	1,326,463
(Loss)/profit before income tax	(18,124,010)	9,700,124
Prima facie tax benefit/(expense) on profit from ordinary activities before income tax at 27.5% (2017: 27.5%)	4,984,103	(2,667,534)
Deferred income tax benefit/(expense)		
- Imputation credits converted to losses	1,010,054	790,606
- Imputation credits on dividends received	(277,765)	(217,417)
- Adjustment for change in corporate tax rate	-	767,882
- Other adjustment	702	-
Income tax benefit/(expense) recognised in the Statement of profit or loss	5,717,094	(1,326,463)

4. Deferred tax

	December 2018	June 2018
Deferred tax		
Financial assets	(14,968,809)	(19,968,395)
Business establishment costs	91,205	104,235
Other	15,453	14,875
Losses available for offsetting against future taxable income	12,023,419	11,293,458
Net deferred tax liabilities	(2,838,732)	(8,555,827)

At 31 December 2018, the Company has estimated unused gross capital tax losses of \$30,714,116 (June 2018: \$30,714,116) and gross revenue tax losses of \$43,721,522 (June 2018: \$41,067,120) that are available to offset against future taxable capital and revenue profits, subject to continuing to meet relevant statutory tests.

Notes to the consolidated financial statements continued

5. Fair value measurements

To reflect the source of valuation inputs used when determining the fair value of its financial assets and financial liabilities, the Company uses the fair value hierarchy prescribed in AASB 13:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of these investments is based on the last sale price for the security as quoted on the relevant exchange;
- Level 2: valuation techniques using market observable inputs, either directly or indirectly. The fair value of assets and liabilities with short-term maturities are valued at the amount at which the asset or liability could be exchanged in a current transaction between willing parties; and
- Level 3: valuation techniques using non-market observable data with the fair value for investments based on inputs determined by Directors' valuation.

The fair value measurement hierarchy of the Company's financial assets and financial liabilities is as follows:

	December 2018	June 2018
Assets measured at fair value		
Level 1: Listed equities	139,265,499	151,585,353
Level 2: -	-	-
Level 3: Short-term and Long-term financial assets ¹	-	838,559
Total financial assets	139,265,499	152,423,912
Total current	139,265,499	152,423,912
Total non-current	-	-
Liabilities measured at fair value		
Level 1: Exchange traded options	-	64,000
Level 2: -	-	-
Level 3: -	-	-
Total financial liabilities	-	64,000

¹ Short-term and long term financial assets are valued using a discounted cash flow model.

Notes to the consolidated financial statements continued

5. Fair value measurements (continued)

For assets and liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Reconciliation of recurring fair value measurements categorised within Level 3 is as follows:

Financial assets:	Financial assets	Listed options	Total
Balance at 1 July 2018	838,559	-	838,559
Unrealised loss recognised in Statement of comprehensive income	(503,135)	-	(503,135)
Transfer to Level 1	(335,424)	-	(335,424)
Balance at 31 December 2018	-	-	-
Balance at 1 July 2017	14,529,056	950,000	15,479,056
Realised loss recognised in SOCI	(529,056)	-	(529,056)
Transfers from Level 1	838,559	-	838,559
Transfers to Level 1 upon exercise of options	-	(950,000)	(950,000)
Redemption of bonds	(14,000,000)	-	(14,000,000)
Balance at 30 June 2018	838,559	-	838,559

6. Payables (current)

	December 2018 \$	June 2018 \$
Management fee payable	1,108,834	1,270,364
Performance fee accrual	-	2,864,697
Sundry creditors and accruals	260,510	173,165
Total payables	1,369,344	4,308,226

Payables are non-interest bearing and unsecured. Outstanding settlements include amounts due to brokers for settlement of security purchases and are settled within 2 days of the transaction. Sundry creditors are generally paid in accordance with the terms negotiated with each individual creditor. The Management Fee is paid within 60 days of receiving an invoice from the Investment Manager.

The carrying value of Payables approximates Fair Value.

Notes to the consolidated financial statements continued

7. Issued capital

	December 2018 Number of shares	June 2018 Number of shares	December 2018 \$	June 2018 \$
(a) Ordinary shares				
Balance at 1 July	203,619,230	169,661,399	105,585,376	81,623,698
Shares issued under DRP	-	606,738	-	422,600
Placement shares	-	29,583,333	-	21,300,000
Share Purchase Plan	-	3,767,760	-	2,712,872
Share issue costs (net of tax)	-	-	-	(473,794)
Total issued and authorised capital	203,619,230	203,619,230	105,585,376	105,585,376

8. Related party transactions

The following table provides the total amount of transactions which have been entered into with related parties during the six months ended 31 December 2018 and 2017:

	Services from and transactions with related parties ¹	
	December 2018 \$	December 2017 \$
<i>Entities with significant influence over the Company:</i>		
Thorney Management Services Pty Ltd ¹	1,081,789	3,294,666
TIGA Trading Pty Ltd	26,000	26,000
<i>Related parties of key management personnel of the Company:</i>		
Arnold Bloch Leibler	31,820	51,809

All related party transaction amounts are shown exclusive of GST

¹ Under the Investment Management Agreement the Investment Manager, Thorney Management Services Pty Ltd, is entitled to a Base Fee based on total assets under management and a Performance Fee in respect of any annual Increase Amount. Based on the Increase Amount for the six months to 31 December 2018, no Performance Fee has been accrued in the 2019 Half-year financial statements (2017: \$2,106,581). The accrual includes GST after deduction of the reduced input tax credit. Refer to note 6.

Notes to the consolidated financial statements continued

9. Earnings per share

	December 2018	December 2017
Basic and diluted earnings per share (cents)	(6.09)	4.84
(Loss) Earnings used in calculating basic and diluted earnings per share (\$)	(12,406,916)	8,373,661
	2018 Number of Shares	2017 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings (loss) per share	203,619,230	173,063,275

10. Dividends

Dividends paid and payable by the Company during the half-year:

	December 2018	December 2017
(a) Final Dividend FY 2018 A fully franked dividend of 0.9 cents per share for the year ended 30 June 2018 was paid on 2 October 2018	1,832,573	1,102,799
(b) Interim Dividend FY 2019 not recognised at half-year end Since the end of the half-year, the Directors have declared a 0.66 cents per share fully franked dividend which has not been recognised as a liability at the end of the half-year	1,343,887	1,219,150

11. Contingent liabilities

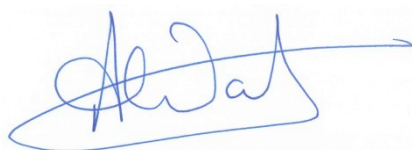
The Company has no contingent liabilities as at 31 December 2018 (2017: nil).

Directors' declaration

In accordance with a resolution of directors of Thorney Opportunities Ltd, I state that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of Thorney Opportunities Ltd for the half-year ended 31 December 2018 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*;
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

A handwritten signature in blue ink, appearing to read 'Alex Waislitz', with a long horizontal flourish extending to the right.

Alex Waislitz
Chairman

Melbourne, 26 February 2019

Independent Auditor's Review Report to the Members of Thorney Opportunities Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Thorney Opportunities Ltd and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2018 and its consolidated 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.



Ernst & Young



Tony Morse
Partner

Melbourne
26 February 2019